OALGATE: **BURNING AGAIN** 14

SPECIAL ISSUE

business today
for managing tomorrow

v.businesstoday.in

November 10, 2013 ₹4

BT 500

INDIA'S MOST VALUABLE COMPANIES

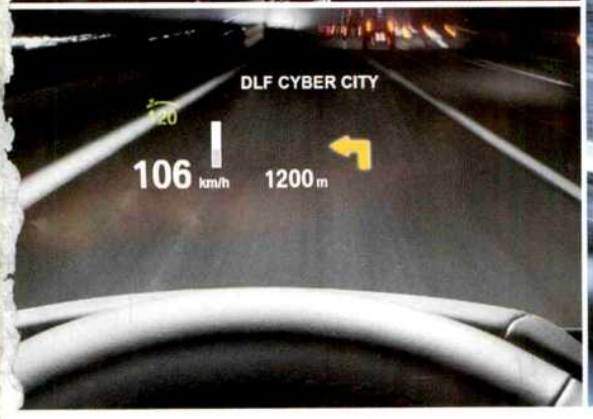
BMW EfficientDynamics

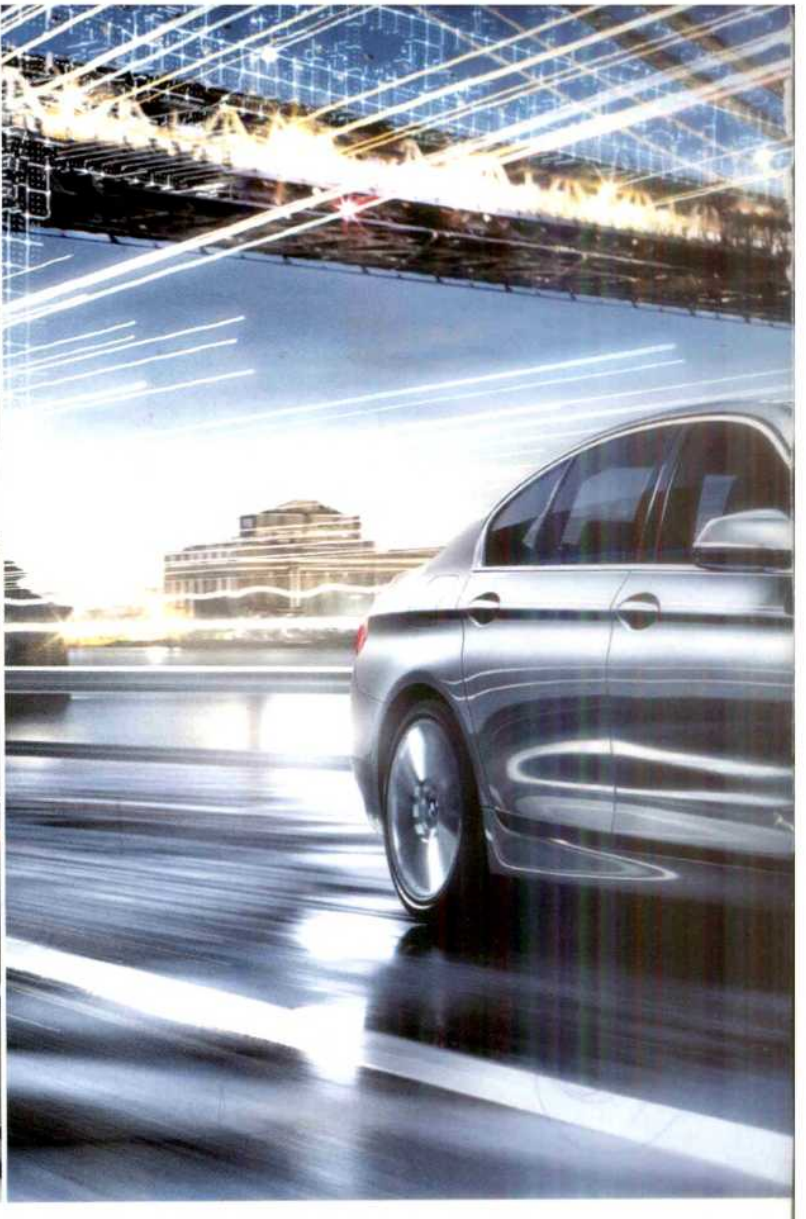
Less consumption. More driving pleasure.

To book a test-drive or get more information, log on to **www.bmw.in/5series** or call **1800 102 22 69**.

www.facebook.com/bmwindia YouTube www.youtube.com/bmwindia www.twitter.com/bmwindia

*The model, equipment and possible vehicle configurations illustrated in this advertisement may differ from the vehicles supplied in the Indian market.



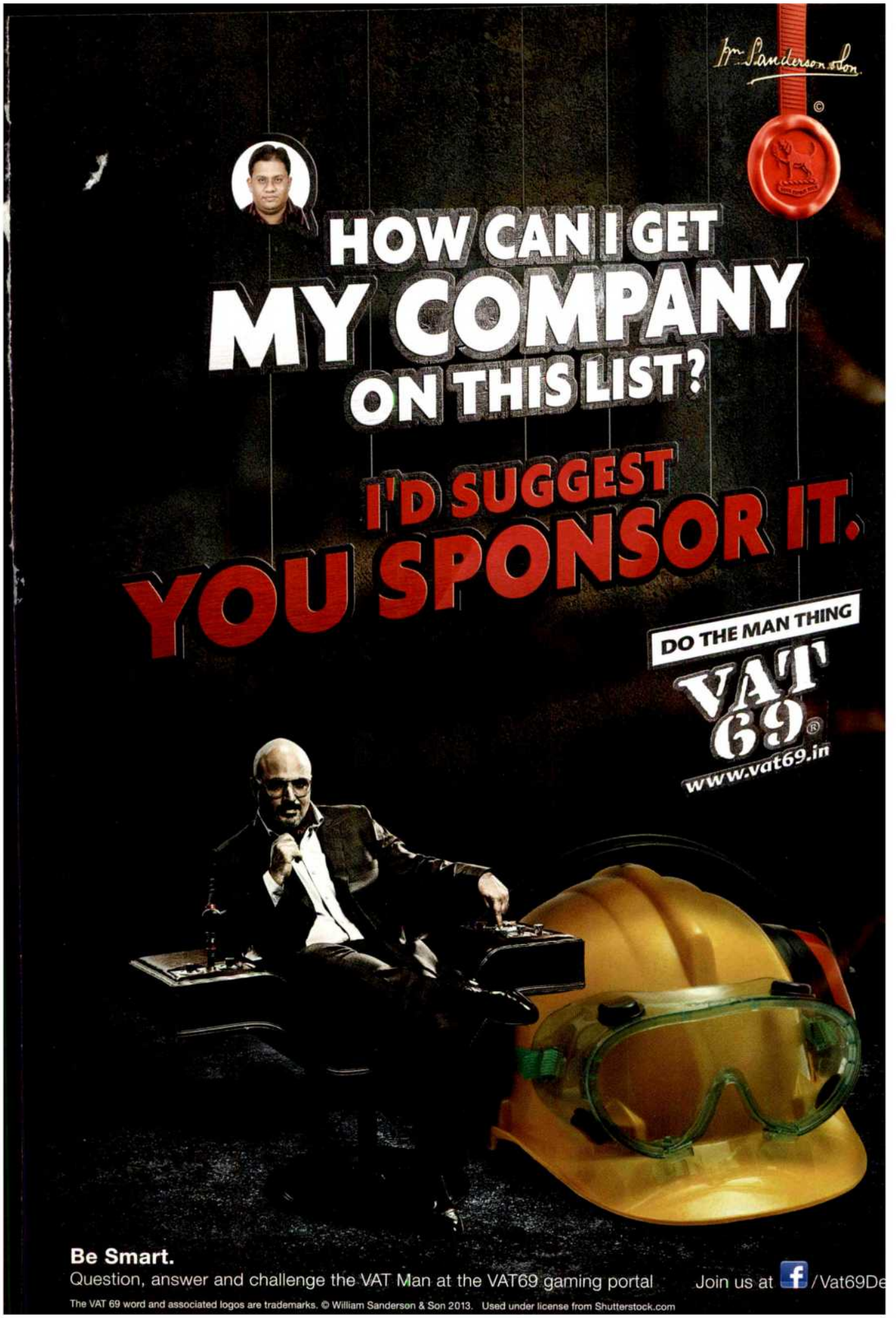


TIMELESS DESIGN.
DRIVEN BY INNOVATION.

The new BMW 5 Series is the most advanced BMW 5 Series ever with the best in class features. Available in three design lines – Modern, Luxury and M Sport Package, the new BMW 5 Series combines beauty and intelligence seamlessly to deliver sheer driving pleasure.

Head-up Display | Adaptive LED Headlights | Navigation System Professional | Multi Information Display | iDrive Touch Controller | Harmon Kardon Surround System | Sport Leather steering with Paddle Shift | Rear-seat Entertainment with 6 DVD changer | Rear View Camera | Active Protection Package | 18 inch alloys

THE NEW BMW 5 SERIES.

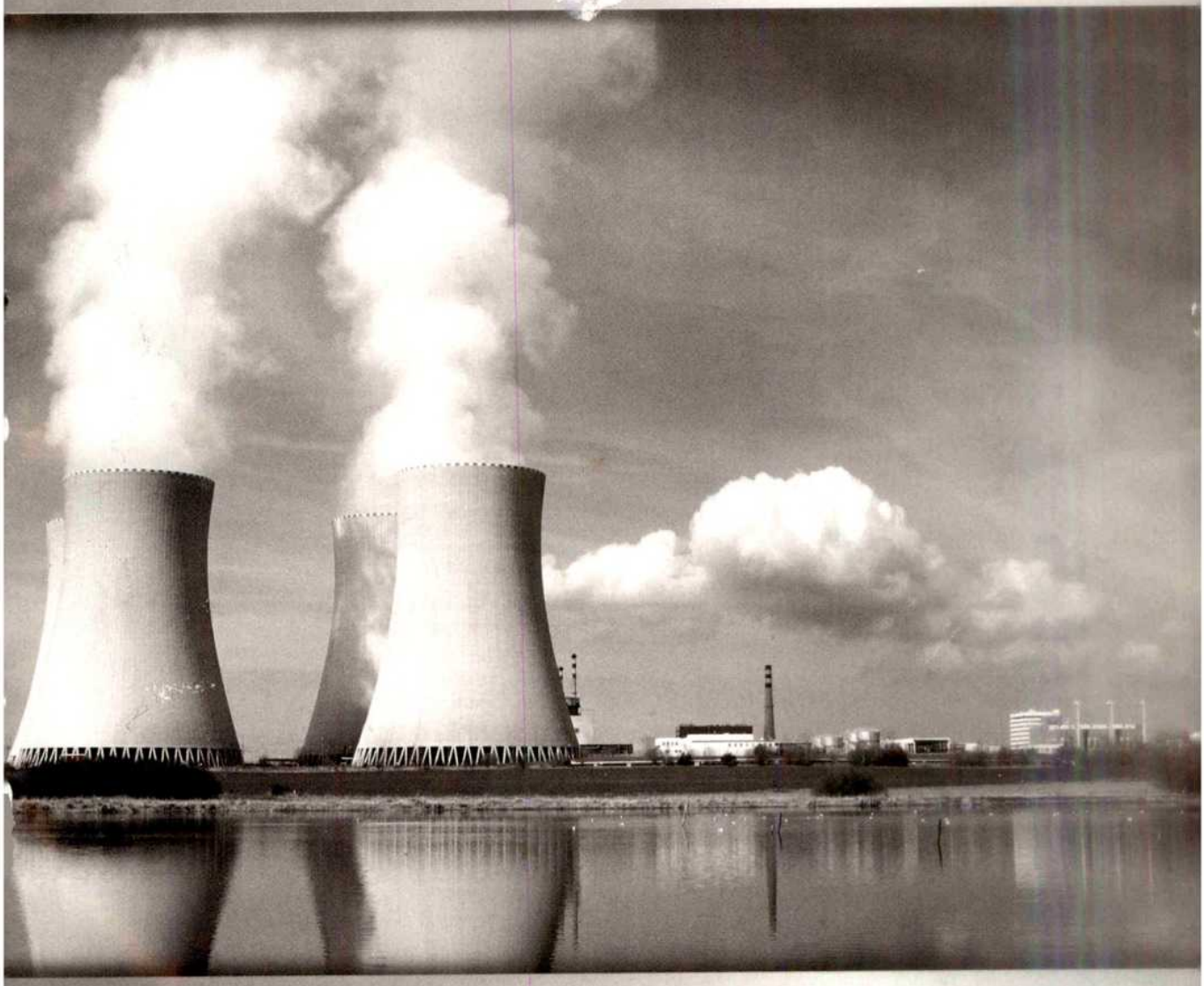

Wm. Sanderson & Son
HOW CAN I GET MY COMPANY ON THIS LIST?
I'D SUGGEST YOU SPONSOR IT.
DO THE MAN THING
VAT 69®
www.vat69.in
Be Smart.
Question, answer and challenge the VAT Man at the VAT69 gaming portal
Join us at /Vat69De
The VAT 69 word and associated logos are trademarks. © William Sanderson & Son 2013. Used under license from Shutterstock.com

CUR-HO/33569-R3/1/10

P 34,140

69

STRONGER THAN STEEL



on irradiation inside a Nuclear Power plant can put even the strongest of metals . Thankfully, unlike a lot of other metals, Stainless Steel has the strength to provide r safety and superior performance expected from the structural components of urised Water Reactors and Fast Breeder Reactors due to its superior th-to-weight ratio, corrosion resistance, high ductility and durability. But that's Stainless Steel is also the material of choice for reprocessing spent fuel discharged eactors. At Jindal Stainless, we are proud to strengthen India's journey towards nd green energy by supplying 304L(NAG)/304/304L/304LN/ 316/316L/316LN/321/ nd EN 1.4550 stainless steel to the Nuclear Sector.

JSL
JINDAL STAINLESS

Shaping a Stainless World

From the Editor

Once every year, we pay obeisance to the best and strongest companies in India. It is not grudging admiration. Our corporate icons deserve every bit of their applause. No management school, or case study, or how-to hardback that you pick up at an airport bookstore can teach you how to plot a steady course when the stars in our firmament are obscured by dark economic clouds. It is not an easy challenge. As of December 31 last year, there were a total of 1,289,229 companies registered in India; of these 872,957 were "at work" or functioning, and about four-fifths of those, the Ministry of Corporate Affairs says, were engaged in 'Financing, Insurance, Real Estate and Renting, Business Services' (31.57%), 'Manufacturing' (22.31%), 'Wholesale and Retail Trade, Restaurants and Hotels' (15.85%), and 'Construction' (10.74%).

In *Business Today* of course, we cannot list and rank that heaving, teeming mass of enterprise: we focus on the marquee BT500, the most valuable Indian companies by market capitalisation (we list the next 500 too by the way). We have been doing this from 1992, and these rankings are cloaked in the same gravitas as the Ten Commandments. We take months to crunch numbers and sift through arcane metrics; then we double- and triple-check them, because reputation is as precious to a company as the most glittering top line. But the top line does matter, and I can think of no better summation of the entire exercise than the Overview by Senior Editor N. Madhavan, who toils alone in Chennai but travelled up to our Noida HQ to herd every last frisky critter into our stunningly designed cover package starting on page 42. But I digress – the rankings have thrown up more than their share of surprises this year, starting with Tata Consultancy Services (TCS) which dethroned Reliance Industries to grab top spot last year. TCS widened its lead handsomely. Senior Associate Editor Goutam Das takes a very deep look indeed at the manner in which TCS now stands as the world's second-largest IT company, although IBM still towers over everybody else. Many things about TCS are larger than life. Das notes for instance that it has more than 285,000 employees, more than the population of Barbados. In quaint contrast for a new-economy company, its top executives work out of a handsome heritage sandstone building in south Mumbai. *BT* gained unprecedented access to an array of TCS's senior leadership team, customers, and competitors – topped by an exhaustive interview with CEO N. Chandrasekaran. A long-distance runner, Chandra worked patiently with Senior Photographer Rachit Goswami to give us a breathtaking lead picture atop one of Mumbai's tallest buildings. Go to page 46.

Some other points to note from the entire cover package, which stretches all the way to page 146: FMCG companies have done well even during these gloomy times; the rise of Tech Mahindra as well as a 'newer economy' company, Just Dial, which just completed an impressive IPO; cable companies, aided by digitisation, have also much to crow about; and state-owned companies have fared poorly; and banks, which are a preferred destination for many young job-seekers (see *Careers* on page 193), now command 12 per cent of market capitalisation. Don't miss the Methodology (page 98) or the excellent graphics illustrating many interesting points from our study – a collaboration between Assistant Art Director Santosh Kushwaha and Senior Researchers Jyotindra Dubey and Niti Kiran (page 64). Indeed, Dubey and Kiran contributed mightily to making sense of the ocean of numbers throughout the package.

There is a lot more to read in this special edition than just the cover package, ranging from Coalgate to compact luxury cars – and yes, even tattoo artists. Enjoy yourselves – it's a sight for sore eyes.

Chaitanya Kalbag

chaitanya.kalbag@intoday.com
www.businesstoday.in/editor

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie
Group Chief Executive Officer: Ashish Bagga
Group Synergy and Creative Officer: Kalli Purie

Editor: Chaitanya Kalbag
Managing Editor: Josey Puliyenthuruthel
Executive Editor: Suveen K. Sinha
Deputy Editors: Debashish Mukerji, K. Sai Srinivas, Alokesh Bhattacharyya

CORRESPONDENTS
Senior Editors: Anand Adhikari, N. Madhavan, Shamni Pande
Senior Associate Editors: Mahesh Nayak, Goutam Das
Associate Editors: K.R. Balasubramanyam, Shweta Punj, E. Kumar Sharma, Ajita Shashidhar, Suprotip Ghosh, Nandagopal Rajan, Manisha Singhal, Sunny Sen
Assistant Editors: Manu Kaushik, Nidhi Singal, Taslima Khan
Special Correspondents: Anilesh Mahajan, Sarika Malhotra, Ajay Modi, Arpita Mukherjee
Principal Correspondent: Arunima Mishra
Trainee: Kaavya Chandrasekaran

COPY DESK
Senior Editors: Uma Asher, Rishi Joshi, Sumit Upadhyaya
Senior Associate Editor: Sugita Katyal
Chief Copy Editors: Gadadhar Padhy, Roopali Joshi
Copy Editor: Basudha Das

PHOTO DEPARTMENT
Photo Editor: Vivan Mehra
Deputy Chief Photographer: Shekhar Ghosh
Principal Photographer: Rachit Goswami
Senior Photographers: Aditya Kapoor, Nilotpal Baruah
Photographer: Nishikant Gamre
Photo Researcher: Palak Neb

ART DEPARTMENT
Art Editor: Safia Zahid
Deputy Art Director: Anand Sinha
Assistant Art Directors: Anita Jaisinghani, Amit Sharma, Santosh Kushwaha
Senior Visualisers: Vikas Gupta, N. Ravishankar Reddy, Raj Verma

PRODUCTION DEPARTMENT
Chief of Production: Harish Aggarwal
Production Coordinators: Narendra Singh, Rajesh Verma
Senior Supervisor: Rajkumar Wahi
Senior DTP Designer: Mohammed Shahid

RESEARCH DEPARTMENT
Librarian: Vijaylakshmi Vardan
Assistant Librarian: Satbir Singh
Senior Research Associates: Jyotindra Dubey, Niti Kiran

Group Business Head: Manoj Sharma
Associate Publisher (Impact): Anil Fernandes

IMPACT TEAM
Senior General Managers: Kaustav Chatterjee (East), Jitendra Lad (West), Head (North): Subhashis Roy
General Managers: Shailender Nehru (Bangalore), Velu Balasubramaniam (Chennai)

Marketing: Vipul Hoon, General Manager; Vibha Arora, Brand Manager

Head-Consumer Services: Poonam Sangha, Senior General Manager

Newsstand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Manish Shrivastava, Senior Manager (North); Joydeep Roy, Senior Manager (East); Rajesh Menon, General Manager (West); Deepak Bhatt, General Manager (South); Rakesh Sharma, General Manager (Operations)

Vol. 22, No. 23, for the fortnight October 28 to November 10, 2013. Released on October 28, 2013.

• Editorial Office: India Today Mediaplex, FC 8, Sector 16A, Film City, Noida-201301, Tel.: 0120-4807100, Fax: 0120-4807150 • Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001, Tel.: 0124-4948400, Fax: 0124-4030919; Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013, Tel.: 022-66063355, Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018, Tel.: 044-28478525, Fax: 044-24361942; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025, Tel.: 080-22720448, 080-30314106, Fax: 080-22278335; Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071, Tel.: 033-22825398, 033-22827726, 033-22827922, Fax: 033-22827254; Hyderabad: 6-3-885/7/8, Raj Bhawan Road, Somajiguda, Hyderabad-500082, Tel.: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006, Tel.: 079-6560393, 079-6560929, Fax: 079-6565293; Kochi: Karakkatt Road, Kochi-682016, Tel.: 0484-2377057, 0484-2377058, Fax: 0484-370962 • Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301, Tel.: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India; Toll free no:1800 1800 100 (from BSNL/MTNL lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com
• Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301, Tel.: 0120-4019500, Fax: 0120-4019664
© 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited.
Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35 Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001.

• *Business Today* does not take responsibility for returning unsolicited publication material.
All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

For reprint rights and syndication enquiries, contact syndications@intoday.com or call +91-120-4078000
www.syndicationstoday.in

IND NEW ROADS™

CHEVROLET

LL MIGHTY CRUZE
OST POWERFUL IN ITS CLASS+

- 166 PS NEXT GEN VCDi DIESEL ENGINE
- 6-SPEED AUTOMATIC AND MANUAL TRANSMISSION
- 6-WAY POWER ADJUSTABLE DRIVER SEAT
- JET BLACK INTERIORS
- PASSIVE ENTRY PASSIVE START (PEPS)

R TEST DRIVE:
00 3000 8080

SMS <CRUZE>
TO 5424280

SPECIAL DISCOUNTS AVAILABLE
FOR DOCTORS AND LAWYERS.

VISIT US AT WWW.CHEVROLET.CO.IN
WWW.FACEBOOK.COM/CHEVROLETINDIA

220 CITIES 285 OUTLETS
EVER GROWING NETWORK

CHEVROLET CERTIFIED

ss taken as Hyundai Elantra, Skoda Laura, Toyota Corolla Altis, Renault Fluence and Volkswagen Jetta.

McCann/GM/10/13

Re: Letters to the Editor

Symbols of Excellence

Business Today's survey of business schools (*India's Best B-schools*, October 27) proves academics in India is well advanced. Gone are the days when most talented young Indians chased degrees from overseas institutions. Nowadays Indian educational institutions, especially B-schools, use the most modern technologies. IIM Ahmedabad is a symbol of excellence and should be duly rewarded by the Central government. The Central and state governments as well as industry should provide liberal funding to the better institutions for their healthy growth.

Akhilesh Kumar Sah, *Faizabad*

Flawed Report?

Your article *Why Raghuram Rajan Ranked Gujarat Low* (October 27) can be contested. When it comes to sharing of resources, whether among nations or members of a BPL family in India, it is not always the most reasonable voice that is acceptable to all. Let us not expect a different approach from the states, when it comes to the sharing of resources from the Central pool. It is high time to discontinue the "special category" classification, be it for states or people, and move forward to equity in distribution, based on needs at the ground level. We should make efforts to share resources fairly to help states and individuals climb up the ladder of economic development. Rajan's recommendations should be seen in this perspective.

M.G. Warrier, *Mumbai*

Battle of the Apps

The feature *Race Course Run* (October 27) discusses the "battle of the apps" in the 2014 general election. The BJP and its PM candidate are using technology to their best advantage. The NaMo smartphones and the Modi Run game could be attractions for young people. But do they make a psychological impact too? Can the model be used in other areas, to promote education, business, etc.?

Jacob Sahayam, *Thiruvananthapuram*

Backing BlackBerry

Your article *BlackBerry's White Knight* (October 27) told readers a lot about this little-known man Prem Watsa, who is ready to buy the ailing BlackBerry. He seems to have an excellent track record, and questioning his decision may well turn out to be a mistake.

Anil Sonalkar, *On e-mail*

An Eye-opener

Your article *Nurturing the Nurturers* (October 13) was an eye-opener. India needs more "social incubators" to nurture the social innovators, social entrepreneurs, and social enterprises. Besides social incubators, our country should develop an educational policy which creates an ecosystem for developing and creating social innovators and social entrepreneurs. Only a few institutions have taken the lead in this direction.

H.C. Chaudhary, *On e-mail*

Send all your comments to editor.bt@intoday.com

www.facebook.com/BusinessToday

Insurance industry needs sustainable, profitable model: Chanda Kochhar
Insurance companies settle claims only when they cannot find reasons to deny the claim!
- **Rakesh Kumar**

India's not producing enough managers for rural sector Rural sector has always been neglected. And it is a glaring oversight by those in power. I wish the situation would improve now.
- **Laila Agarwal**

RIL Quarter 2 net is up 1.5 per cent, and the turnover tops ₹1 lakh crore
But Ambani should learn how to do charity like Bill Gates and Warren Buffet. - **Priyanka Jain**

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, India Today Mediaplex, FC-8, Sector 16/A, Film City, Noida-201301.
Email: letters.bt@intoday.com/editor.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no. 1800 1800 100 (from BSNL/ MTNL lines); Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

BT SCRAPBOOK
- React to articles in BT
- Suggest story ideas
- Share your experience as consumer or SME
- See what others have to say on our stories on scrapbook at www.businesstoday.in

Any which way you look at it, Blu is your Forever Home

Located in the most prestigious part of South Mumbai, the iconic Blu makes for a proven and fabulous investment. However, the real reason you will live in Blu is because it has more than everything to be your World-Class Forever Home.

Prices set to rise from 21st September onwards!

- Construction by Shapoorji Pallonji
- Plans approved by BMC
- Environment clearance received • No Public Parking FSI
- New DCR • Construction in full swing

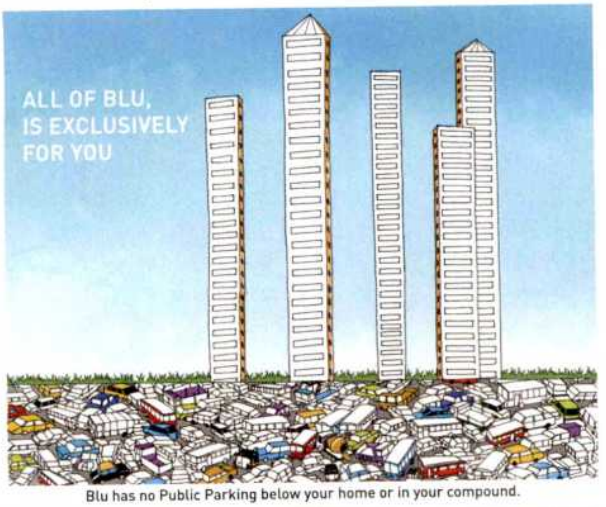
Super Luxury Residential Complex in One Indiabulls Worli

Blu

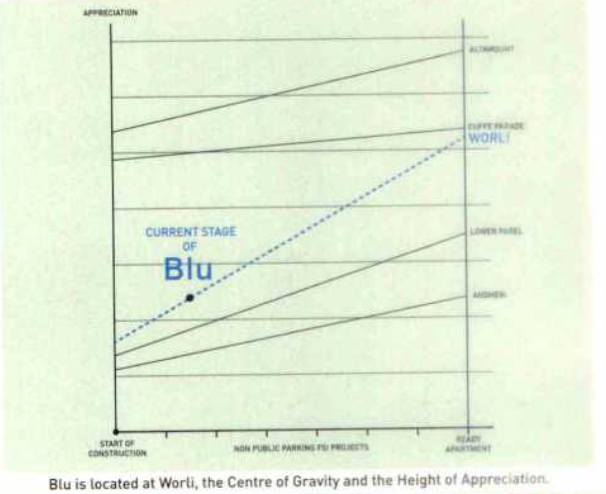
A home like no other

Blu offers you 40 Amenities. All 40 of them true. All 40 of them unique.

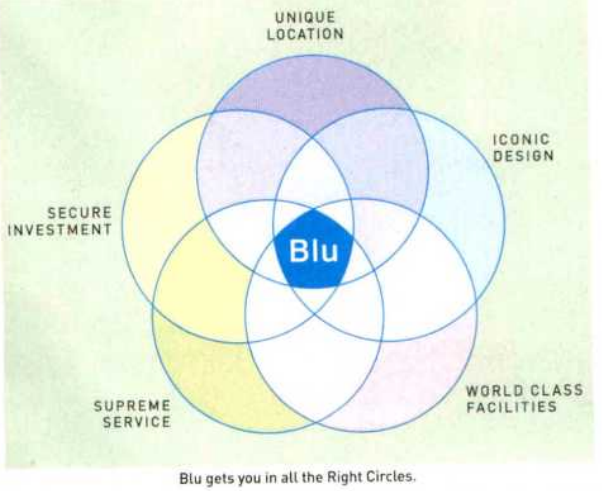
Blu offers you 10 acres of Open Spaces with just 33 homes to an acre.



Blu has no Public Parking below your home or in your compound.



Blu is located at Worli, the Centre of Gravity and the Height of Appreciation.



Blu gets you in all the Right Circles.

Blu has More Trees, Open Spaces, Play Areas, and Amenities/Acre in the vast 10 Acre plot.

Contact us on 022 - 618 99999 for an appointment. Or, visit the Sales Lounge at One Indiabulls Worli, 132, Worli Circle, Mumbai.

Whatever seen, the information and material contained in this advertisement are for reference only and the same are subject to change without notice. INDIABULLS makes no representation, guidance or warranty of any kind, express, implied or otherwise with

CONTENTS

COVER BY ANAND SINHA

NOVEMBER/10/2013
VOLUME 22/NUMBER 23

COVER STORY

India's Most Valuable Companies

46

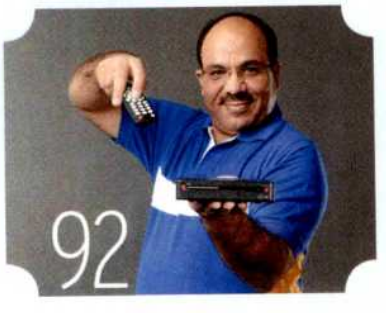
64

72

78

83

88



92

46 | Bigger Than Before
TCS has extended its market cap lead over RIL and widened the revenue gap over its nearest IT rivals. Now, it is preparing to consolidate its position

64 | Up to Data
Vignettes from an analysis of the *BT* 500 companies

72 | Ministering to the Masses
Godrej Consumer Products's strategy of offering premium products at value prices has paid off

78 | The Big League Beckons
With consistent growth behind it, as well as the merger with Mahindra Satyam in June, Tech Mahindra is trying to enter the top league of Indian IT companies

83 | Hitting the Right Numbers
Just Dial's market valuation has soared after a successful stock market debut

88 | Poor Show Undertakings
Most public sector units have lost value over the past year, thanks to government apathy and lackadaisical management

92 | The Cable Guys
The market cap of most cable companies has soared. But their challenges are not over

98 | Methodology

100 | Rankings

140 | Index

ONLINE

BT 500: Value for Money

The 23rd edition of *BT* 500 lists India's most valuable companies by average market capitalisation, and also on numerous other financial parameters.
businesstoday.in/bt500

"We've Driven the Employee"

N. Chandrasekaran, CEO of TCS, which has grabbed the top slot in the *BT* 500 rankings for the second year running, talks to **Chaitanya Kalbag** and **Goutam Das.**
businesstoday.in/2013bt500-chandrasekaran

"Challenged, Questioned, Vilified, with No Coal Mined"

Hindalco MD Debu Bhattacharya discusses the CBI case against **Kumar Mangalam Birla** relating to the allocation of a coal block in Orissa to Hindalco with **Chaitanya Kalbag.**
businesstoday.in/hindalco-coal

WEB EXCLUSIVES

"Renewable Energy May Not Need Subsidies if There Is Fair Pricing"

Sumant Sinha, founder-Chairman and CEO of Renew Power, discusses the renewable energy scenario with **Anilesh Mahajan.**
businesstoday.in/renew-sinha

Most Attractive Brand: Samsung Mobile

Says a first-of-its-kind study by Trust Research Advisory across products and regions in India.
businesstoday.in/samsung-brand

Reader-friendly

Kobo, one of the big three among e-reader manufacturers, launches in India.
businesstoday.in/kobo-ereader

PERSPECTIVE

Symbolic at Best

Anand Adhikari analyses the RBI proposal to internationalise the rupee.
businesstoday.in/rupee-international

CONTENTS

12 **UPFRONT**

12 | Quick takes on major events

FOCUS

14 | Earthy Tales
Or, why India really needs to dig itself out of a mineral hole

16 | Hate Figure
The CBI has become exceptionally proactive in its coal scam probe ever since Ranjit Sinha took charge, fuelling corporate fears of a witch hunt

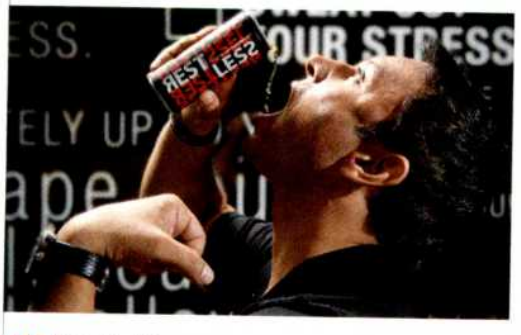
28 | Why English-language Channels Are Growing
Their viewership is up more than 40 per cent in the past year, thanks to the Digital Access System

32 | Graphiti: A Corner Office of Her Own

150 **FEATURES**

150 | Manipal's Other Pai
Business has grown 21-fold in nine years, thanks to Gautham Pai's talent for teaming up with strategic investors

156 | Driving a Bargain
Tickets to luxury get cheaper as Mercedes, BMW and Audi launch compact cars



160

160 | Burst of Energy
A host of newcomers has entered the energy drinks market. But making an impact will not be easy

166 | *HBR* Exclusive: The Price of Incivility

16

184

LBNL

184 | I Ink, Therefore I Am
Tattoo studios and artists proliferate as an ancient art turns hip

RIGHT CLICK
188 | Clout with a 'K'
Measures of social media impact assess both number of followers and interaction level

188

BOOKEND
190 | Both Murder and Suicide
A tell-all account of how politicians, unions and its servile chairmen destroyed Air India

193

CAREERS
193 | A Bankable Option
Despite the downturn, banks continue to recruit liberally and have become the preferred choice of many job aspirants

200 | PEOPLEBUSINESS

LEADERSPEAK
206 | Yogesh Malik, CEO, Uninor

Find the Right Job on Page:196-199
Jobs Today
Get Lucky. Get Active on Monster.
• Better Access • Better Connections
• Better Jobs
Powered by:
monster
Find Better.™

An IMPACT Feature

From time to time, you will see pages titled "An Impact Feature" or "Advertorial" in *Business Today*. This is no different from an advertisement and the magazine's editorial staff is not involved in its creation in any way.

Far above the ordinary exists a life of superlatives. Where the quality of air is only surpassed by the world of experiences placed at your feet. An exceptional life. With an equally spectacular setting. And only one word describes it best: Exquisite.

Spacious 3 BHKs and Duplexes | Strategic location | Part of Oberoi Garden City

For a private preview, call +91 22 67556666,
visit www.oberoirealty.com or e-mail exquisite@oberoirealty.com

Oberoi Garden City, Off Western Express Highway, Goregaon (East), Mumbai, India.

OBEROI
EXQUISITE

The picture/perspective of the premises/building is an artist's impression of the development. The developer reserves the right to make additions, alterations or amendments to the plans, specifications, images and details as may be required by the authorities and/or deemed appropriate in the interest of continuing improvement. The amenities, heights, furniture, fixtures and accessories shown here are for representation purpose only and are not a part of the standard offering.

WPA POOL/GETTY IMAGES

Winning Moment: Eleanor Catton (right), 28-year old author from New Zealand, won the Man Booker prize 2013 for her novel, *The Luminaries*. She is the youngest to win the coveted literary prize. The sole Indian-origin author competing, Jhumpa Lahiri, lost out. From next year, the prize, confined so far to writers from the nations of the Commonwealth and Ireland, will be open to writers from all countries.

Corporate

Reliance Industries became the first private sector company in the country to achieve quarterly turnover or sales of more than ₹1 lakh crore in a quarter. Its turnover during the July-September quarter stood at ₹106,523 crore, against ₹93,266 crore in the previous quarter. The **Mukesh Ambani**-led company posted net profit of ₹5,490 crore, 1.5 per cent higher than in the second quarter of 2012/13. This was despite a 19 per cent drop in its gross refining margins.

Corporate India was stunned when the Central Bureau of Investigation named Aditya Birla Group Chairman Kumar Mangalam Birla in a first information report related to alleged irregularities in coal block allocations. The business community is worried that putting top industrialists under the scanner will dent India's image.

Fortis Healthcare, promoted by Malvinder Singh and Shivinder Singh, has announced sale of its stake in Hong Kong-based Quality Healthcare to Bupa for $355 million to cut its debt. After this divestment, its India revenue will account for nearly 95 per cent of Fortis Healthcare's total revenue.

Drug maker **Wockhardt** is facing more regulatory headwinds. Wockhardt informed the Bombay Stock Exchange that the UK Medicines and Healthcare Products Regulatory Agency (UKMHRA) had withdrawn its certificate of good manufacturing practices issued to Wockhardt's Chikalthana plant, near Aurangabad in Maharashtra. The watchdog has thus banned the import of drugs from the facility into the UK. The agency will, however, issued a restricted certificate to the factory, which means it will be able to supply products that are "critical" to public health.

The telecom mergers and acquisitions guidelines will be released by November 1, said Telecom Minister Kapil Sibal. The government wants consolidation in India's 12-player telecom market.

The US Congress has approved a last-minute deal to end a partial government shutdown and pull the world's biggest economy back from the brink of a historic debt default that could have threatened financial calamity. The deal will ensure the government is funded until January 15 and raises the debt ceiling until February 7, so Americans face the possibility of another bitter budget fight and another government shutdown early next year.

The initial public offer by Twitter is likely to hit the US stock market on November 15. Twitter has disclosed plans to raise up to $1 billion from its proposed IPO in its initial registration form with the US Securities and Exchange Commission.

Economy

The current downturn provides an opportunity to push ahead with reforms to accelerate growth, says the latest India Development Update report released by the World Bank. The report says that the adverse effects of rupee depreciation are likely to be offset by the gains in the exports performance due to improved external competitiveness. Since May this year, the local currency has depreciated substantially and fell to a record low level of ₹68.85 to a dollar on August 28.

A stagflation-like situation appears to have arisen as inflation jumped to an eight month high of 6.46 per cent for the month of September. It is up from 6.10 per cent in August. Growth continues to be muted with factory output plunging to 0.6 per cent in August. The primary articles index, with a 20.12 per cent weightage in the WPI index, rose 1.5 per cent. Food articles rose by 0.8 per cent. Onion prices have risen nearly 300 per cent from last September. Vegetables cost nearly 90 per cent more than they did last year.

Wake up to the economic contribution of slum dwellers. They contribute more than 7.5 per cent to the country's gross domestic product, according to a recent study conducted in 50 top cities. The urban poor workforce consists of domestic help, vendors and hawkers, construction workers, among others – all valuable hands in the urban setting.

136,000

Estimated number of jobs created during the second quarter of the current financial year. This is a growth of 9 per cent over the previous quarter with 61 per cent of new jobs created in the top five metros, according to an Assocham survey. The first quarter of this financial year saw over 125,000 new jobs.

50,000

Estimated number of additional jobs in the the field of corporate social responsibility in the coming years, according to experts. The rise in demand for professionals will be as much as 50 per cent with around 8,000 companies falling under the Companies' Act ambit.

Markets

The **International Finance Corporation** expects to come out with its rupee linked bonds issue before the end of 2013 as a part of its plan to raise $1 billion.

The Reserve Bank of India is set to review monetary policy on October 29. Rising inflation increases the chances of another central bank interest rate hike, even as the economy stumbles through the current crisis.

The Apple iPhone 5c (₹41,900 for 16GB variant) and 5s (₹53,500 for 16GB variant) will be available in India from November 1. Reliance Communication and Airtel have announced plans to sell the new iPhones in the country.

Coming Up

The Land Acquisition Act to provide just and fair compensation to farmers will come into force from January 1 next year, said Rural Development Minister Jairam Ramesh. The Act replaces a 119-year-old legislation. The new law received the assent of the President on September 27.

The Securities and Exchange Board of India has approved the trading of currency futures on the BSE. The exchange plans to launch the currency futures platform with advanced trading technology by the end of November.

FOCUS

16 CBI Under Fire
20 Economy: Bogged Down
32 Women CEOs

CHAITANYA KALBAG

Earthy Tales

Or, why India really needs to dig itself out of a mineral hole

Last week I was on a flight to Mumbai. About two hours in, the captain announced that there was unseasonal heavy rain ahead and it might be difficult to land in such bad weather. "We have fuel for about fifteen minutes," he said, and we might have to divert to another city if the weather did not improve. The fifteen minutes passed, with no sign of Mumbai, and silence from the flight deck. There were quite a few white knuckles and pale faces around me, especially when we hit a turbulent patch. Then, as suddenly, the wheels came down, and we made a hard, bumpy landing. Not a word from the pilot as we exited the aircraft, shaken and stirred.

It felt exactly like going on the Great Indian Economy Ride. We have a largely mute political leadership that dispenses rare and barely audible sermons from the mount to counsel us that things are bad, but we should stay buckled in. The prime minister is known to feel that a baleful triumvirate – the media, the Comptroller and Auditor General's office, and the Supreme Court – are breathing down the government's neck and giving his administration short shrift. A few days ago the Prime Minister's Office sent the Editors Guild an eight-page note listing more than 50 reforms carried out in 2012 and 2013. It is sad that the PM's office feels the need to send such a reminder to a questioning and cynical audience.

Nature abhors a vacuum. Our senior judiciary would not have butted heads so often with the legislature and the executive if a strong and honest government were at work. Congress-led coalitions have now had nine and a half years to transform the face of this nation. Instead, the rupee has lost more than half its value; the current-account deficit has gone from a surplus to a grim battle to contain it at a $70 billion deficit this year; Gross Domestic Product growth this fiscal year is now forecast at 4.7 per cent by the World Bank and at 4.3 per cent by the IMF. The finance minister said in April that he had identified 215 major projects that were halted and another 126 projects that had not even taken off. If you combine environmental clearance, land acquisition and outdated labour laws, there is no incentive to set up new manufacturing capacity – and that has shown through very starkly in industrial production data. IIP crawled up by 0.6 per cent in August. Between April and August, IIP rose at near-zero, or 0.1 per cent year on year. During the same five months, manufacturing shrank by 0.1 per cent.

NATURE ABHORS A VACUUM. OUR SENIOR JUDICIARY WOULD NOT HAVE BUTTED HEADS SO OFTEN WITH THE LEGISLATURE AND THE EXECUTIVE IF A STRONG AND HONEST GOVERNMENT WERE AT WORK

There are some slivers of light. Last year India ranked 94th out of 176 countries on Transparency International's Corruption Perception Index. In happy contrast, Indian companies were ranked by TI as the most transparent in their busi-

ness practices among emerging-market multinationals (and four Tata group companies topped the charts). That should tell us something – if Indian companies are allowed to do business in an open, transparent and competitive manner, they can be world-beaters.

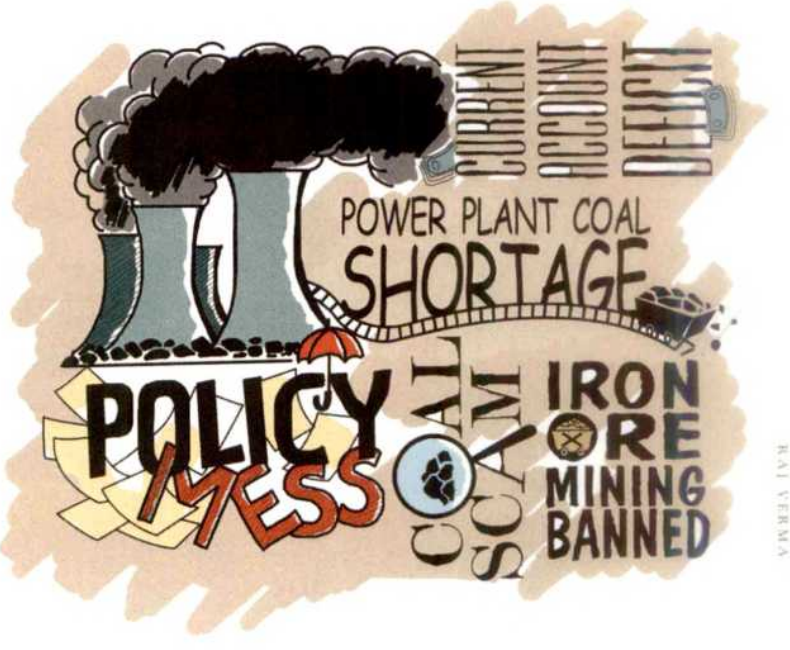
Therein lies the rub. Take the case of the capital markets: the Sensex is trading near three-year highs, but corporate sentiment is very subdued. The government has made it so difficult to do business that it is a miracle Indian companies are even contemplating expansion. There were only 16 initial public offerings (IPOs) in the April-September period, and all but one of them were from small and medium companies. Not a single large company stepped forward.

Nowhere is the mess more visible than in mineral resources. India sits on some of the world's biggest deposits of iron ore, coal and bauxite, but look at how disastrous our mineral-exploitation policies have been. Since we are in the throes of Coalgate, let us consider a few facts.

India has the world's fifth-largest coal reserves at 294 billion tonnes. But because of environmental hold-ups, coal production has gone up very slowly to 558 million tonnes last year from 457 million tonnes in 2007/08. Coal imports have shot up from 60.88 million tonnes in 2008/09 to 140.63 million tonnes in 2012/13; three-quarters of that was non-coking coal used by thermal power plants, and 85 per cent of that came from Indonesia.

What does this mean for power generation, which turns the wheels of industry? A large number of power plants are either stillborn, or unable to generate and sell electricity at the prices they were contractually committed to. In August, a committee headed by Deepak Parekh recommended raising tariffs at plants run by Tata Power and Adani Power in Gujarat. Together the two plants generate 8,620 megawatts (MW) of electricity, but have been running consistent losses because they have to import expensive coal. The proposed hikes, however, have been held back by the Central Electricity Regulatory Commission because end-users are howling in protest. Tariffs were decided six years ago. Although Indonesian thermal coal prices have been in a slump for four years, the Indian rupee's precipitous slide has pushed up our import bill: in 2012/13 coal imports cost $15.4 billion, up from just $3.2 billion in 2004/05, the year the UPA was elected. Is it any wonder that our power-starved industries are gasping for breath?

This messy situation has to do with extraction of a mineral that India has in abundance. Here's another example of our capacity to hobble ourselves. India was the world's third-largest iron-ore exporter not very long ago, but is likely to turn a net importer this fiscal year. Iron-ore exports fetched just $1.6 billion last year, down from a peak of $6 billion in 2010/11; the Supreme Court banned iron-ore mining in July 2011 in Karnataka and last year in Goa. The Karnataka ban has been partly lifted, but steel production and exports have suffered. We now make a lot less steel and import much more – but let that not take away from the optimism of Indian entrepreneurs: capital-goods imports totalled $91.45 billion last year, up from $18.28 billion a decade ago. Where did that money go? Into building factories and power plants that – if pigs could fly – will one day propel India into the big league of industrialised nations. First, of course, there is the small matter of electricity to help turn those ingots of iron into steel. We have it all planned. ◆

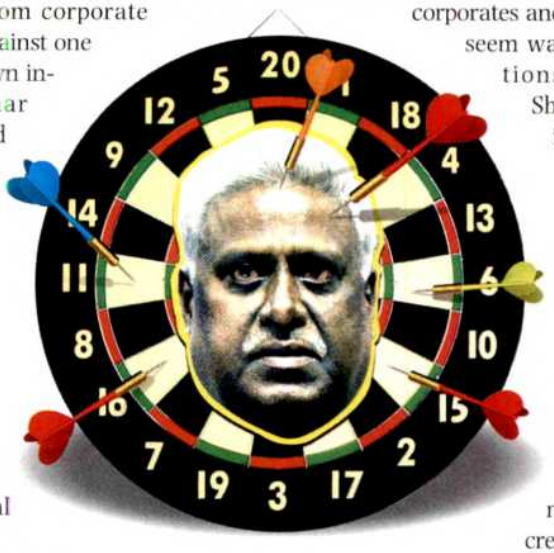


RAJ VERMA

Hate Figure

The CBI has become exceptionally proactive in its coal scam probe ever since Ranjit Sinha took charge, fuelling corporate fears of a witch hunt. By ANILESH S. MAHAJAN

Corporate India has a new *bete noire* – Director of the Central Bureau of Investigation (CBI) Ranjit Sinha. The country's senior most IPS officer, Sinha has come under fire from corporate houses for an FIR against one of India's well- known industrialists, Kumar Mangalam Birla and his company Hindalco, along with former coal secretary P.C. Parakh, for irregularities in the allocation of a coal block in Orissa. It is alleged that Hindalco was not qualified for the coal block allottment.



Sinha, considered close to the Gandhi family, was made CBI director in November last year. He is personally overseeing the investigations into the Supreme Court monitored probe of the coal scam. According to the Comptroller and Auditor General (CAG), the government's decision not to auction 194 coal blocks between 2004 and 2011 lost the country some ₹1.86 trillion in revenue. Earlier in June this year, Sinha had also filed an FIR against industrialist and Congress MP Naveen Jindal and former minister of state for coal Dasari Narayana Rao, and subsequently questioned them for their alleged role in the scam.

CBI officials defend their actions and say they are able to proceed freely now, without any political pressure, because of the apex court's intervention. The agency is often seen as a tool in the hands of the ruling United Progressive Alliance. But this time Sinha's team has faced flak even from Congress ministers. Commerce Minister Anand Sharma accused it of needlessly stirring controversy. "CBI must not play to the gallery," he said.

The FIR naming Birla is the 14th in the ongoing investigation. This is not the first time a corporate CEO has been booked, but both corporates and the political class seem wary of the implications of the move. Sharma, for instance, is worried that the case will further erode global investor confidence in the India growth story.

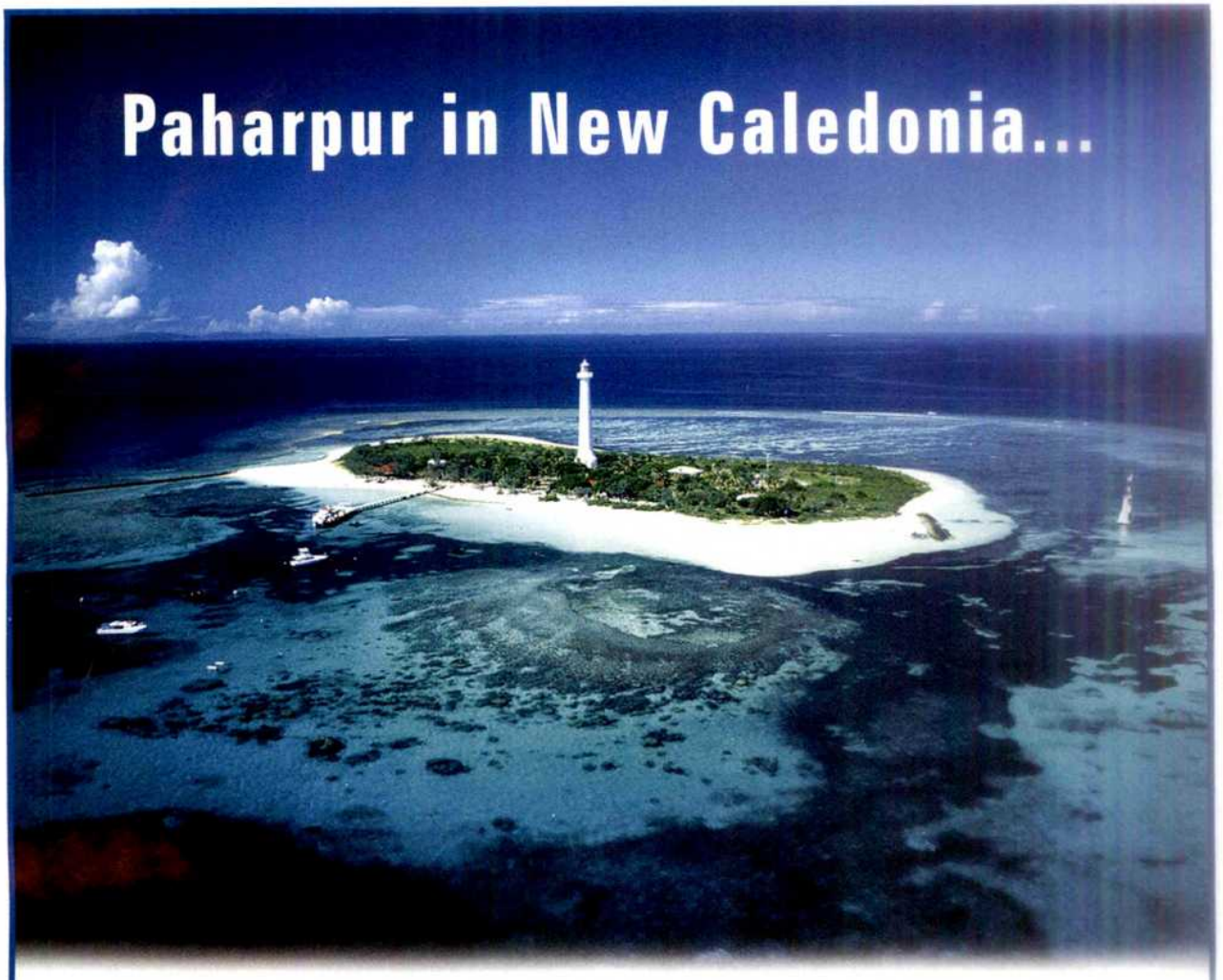
"Any FIR without a particular reason against a respected businessman will invariably create a difficult environment for business," says Adi Godrej, Chairman, Godrej Group and former president of the Confederation of Indian Industry. Doing business in India was never easy, he adds. Firdose Vandrevala, Executive Vice Chairman, Essar Steel, agrees. "Overall sentiment has currently gone into "wait and watch" mode with everything that's happening and elections round the corner. I don't think India has the luxury to wait and watch."

The Congress also has another reason to be apprehensive. Parakh has pointed out that Prime Minister Manmohan Singh himself approved the decision to allocate the coal block to Hindalco. Singh should be "accused No. 1", says Parakh. The prime minister's office in turn has clarified that Singh's approval was given purely on the basis of the coal ministry's recommendation.

India has the world's third largest coal reserves of 286 billion tonnes, but state owned Coal India, which enjoys the monopoly to do so, has not been able to extract enough to

SINHA'S TEAM HAS FACED FLAK EVEN FROM CONGRESS MINISTERS FOR PROCEEDING AGAINST CORPORATE HONCHOS

Paharpur in New Caledonia...



Before we supplied three large pultruded FRP sea water cooling towers for a nickel plant in New Caledonia, we thought this island territory located between Australia and Fiji was only an exotic honeymoon destination.

But ever since our first overseas job in 1969, we have exported cooling towers to over 50 countries around the world - even in the remotest corners of the planet, for ambient temperatures ranging from -30°C to +50°C, for fresh water and for sea water, for diverse applications such as in giant power plants, fertiliser plants, steel plants, paper mills, sugar mills, air-conditioning plants and so on. Some of the most discerning customers, consultants and contractors in the world have ordered Paharpur cooling towers and certified our quality and service as equal to the best anywhere.

Whether it is in Asia, Europe, Africa, Australia, the Americas... or even an island territory in the middle of the South Pacific... Paharpur has kept India proud.

PAHARPUR

Your Full-Service Cooling Technologies Company

www.paharpur.com

P013-01a / SMC

Paharpur Cooling Towers Ltd

Paharpur House, 8/1/B Diamond Harbour Road, Kolkata - 700 027, INDIA

Phone : +91-33-4013 3000 • Fax : +91-33-4013 3499 • pctccu@paharpur.com

AIR-COOLED HEAT EXCHANGERS | **COOLING TOWERS** | **AIR-COOLED STEAM CONDENSERS**

For the full story, go to
www.businesstoday.in/hindalco-coal

"We followed every step in the book"

Debu Bhattacharya, Managing Director, Hindalco, discusses the CBI case against his company. By Chaitanya Kalbag

Hindalco Industries Ltd's Managing Director Debu Bhattacharya says that had he known how complex and fraught the process would be to set up an alumina plant and a smelter in Orissa, he would have never put it up.

"I really don't understand where we went wrong. If anything, we have been at the receiving end," says Bhattacharya. The CBI has registered a case against former Coal Secretary P.C. Parakh and Aditya Birla Group Chairman Kumar Mangalam Birla under the Prevention of Corruption Act in connection with the allocation, in 2005, of the Talabira II and III coal block to Hindalco.

"When there is a coal block available people are invited over the Internet on the site of the Ministry of Coal, and various companies apply. Who comes first gets certain brownie points. Indal was the first one off the block. I have not seen that application. I had no say in that," says Bhattacharya. Hindalco acquired Indal, the Indian subsidiary of Canadian aluminium major Alcan, in 2000.

Four years earlier, Indal had applied for the Talabira II coal block. A screening committee was set up by the Ministry of Coal. Bhattacharya says the screening committee's decision was made in January 2005. "After we acquired Indal in 2000, we continued to pursue that," he adds. "Now I know from various sources that Neyveli Lignite Corporation got it."

"On April 8, 2005, we signed a Memorandum of Understanding with the Orissa government to put up our project," says Bhattacharya. The government of Chief Minister Naveen Patnaik undertook to provide raw material, water, coal and electricity to the Aditya Alumina and Aluminium Project. "(However) we were told that we had lost the mine. I went to Naveen babu and asked if the state government would please take it up with the Centre, because we had been told we would get coal for the power plant."

"I understand that Patnaik wrote to the Coal Ministry. He (told us), 'Don't just rely on my letter, you also follow up.' Now we come to Talabira III, which was given to Mahanadi Coalfields Ltd [a subsidiary of Coal India]. What Parakh [then Secretary in the Coal Ministry] says is that there was no barrier or wall between Talabira II and Talabira III – it was one rolling field. If you divide it into two distinct ownerships, there will be a wall, and you lose a lot of coal there – it could be 30 or 40 million tonnes. So the coal ministry for the first time said 'Why are you doing this Hindustan-Pakistan, why don't you form one joint venture so that there will be no barrier' – and they gave it to the three of us, Mahanadi, Neyveli and Hindalco."

Bhattacharya says that on November 10, 2005, based on the merits of the case, the joint venture was approved, with Mahanadi taking a 70 per cent stake and Neyveli and Hindalco taking 15 per cent each. "I think it was a brilliant idea for the companies to have a joint venture because it also helped conserve coal for the country."

"We have followed every step in the book to get that allocation," he adds. "Once we got the allocation we went full steam to put up the project. To the best of my knowledge, Neyveli has not put one brick on the ground, and we have already invested ₹11,000-12,000 crore. The plant is up, and we are going to light up next week."

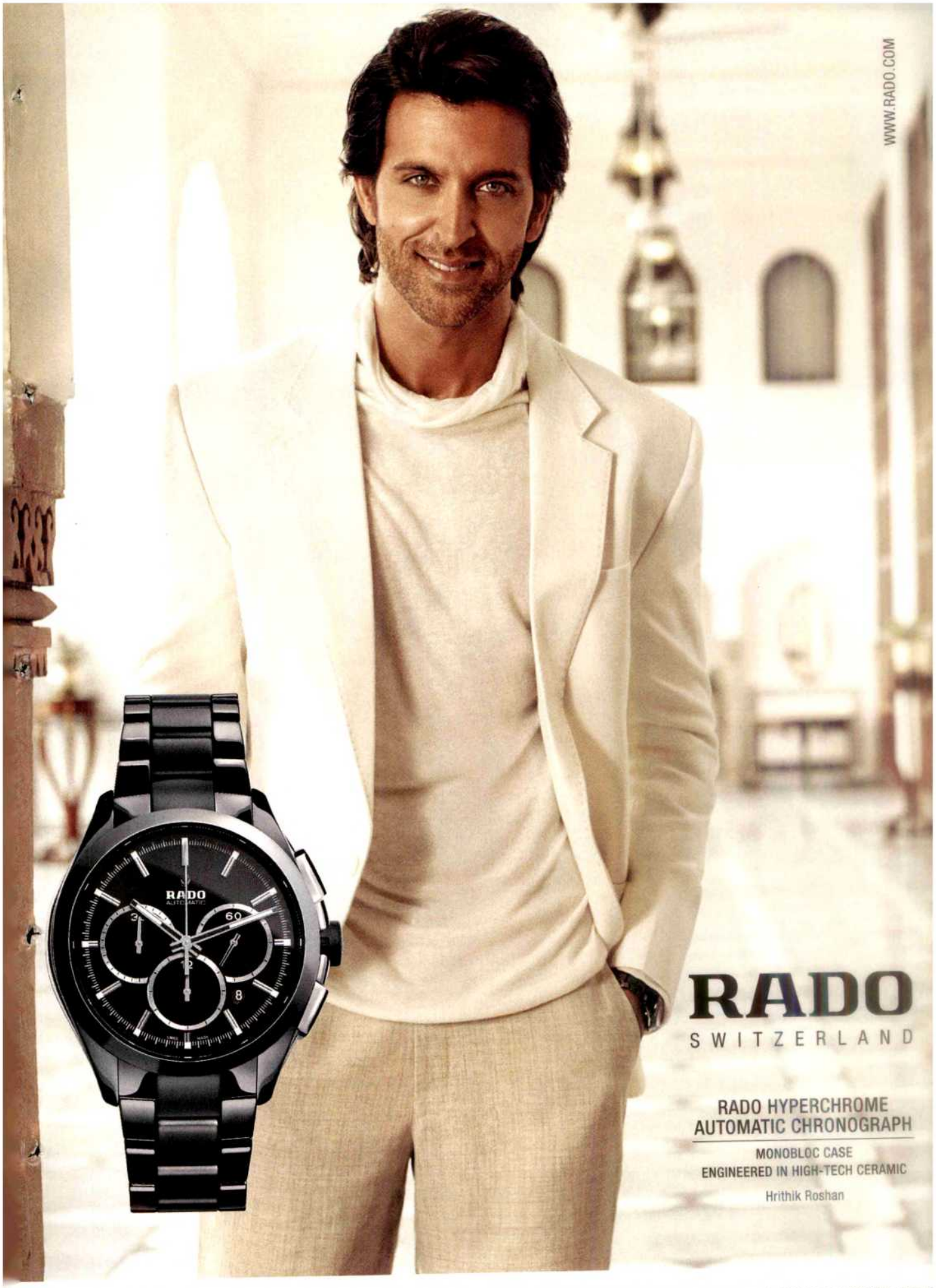
ANALYSTS SAY THE FIR AGAINST BIRLA AND PARAKH DOES NOT MENTION ANY QUID PRO QUO OR ILLICIT TRANSACTION BETWEEN THE TWO

meet the country's requirements. This forces India to import coal from Indonesia, Australia and South Africa. Last year, India imported coal worth $16 billion. This year the figure is expected to touch $20 billion.

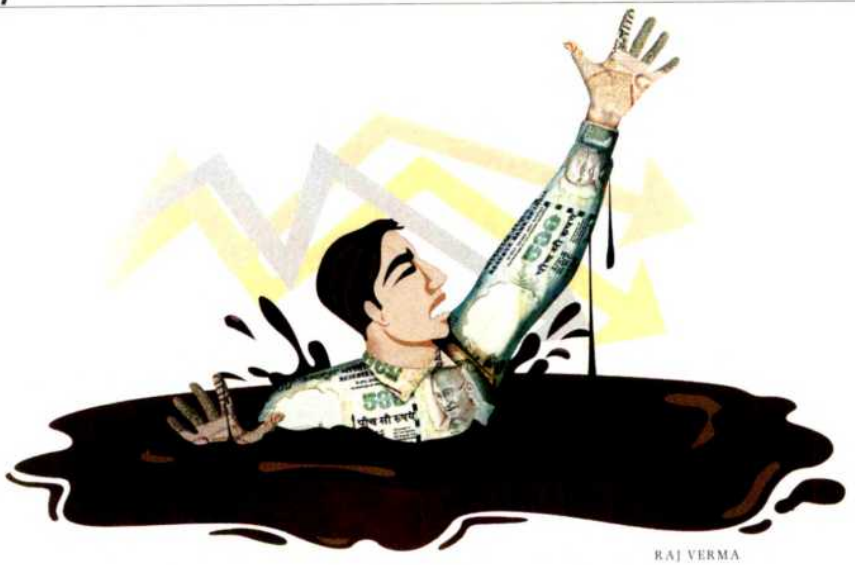
Analysts say the FIR against Birla and Parakh does not mention any quid pro quo or illicit transaction between the two. If the investigators are unable to establish this, under the relevant sections of Prevention of Corruption Act, the case may not hold, says a former chief secretary. "Then it would be a mere case of negligence of duty at the most," he said. Parakh was praised by the CAG in its report last year, which considered him a whistle-blower in the scam. "I believe Parakh is an upright officer but can't say this with confidence about Birla. Still, I believe that CBI should inquire into this for the common good. If they are clean, they will come out clean," says Prashant Bhushan, Supreme Court lawyer and leader of the newly floated Aam Aadmi Party.

Sinha believes the agency has a strong case. The CBI has alleged in its FIR that the Coal Ministry Screening Committee's recommendation that the block be allocated to public sector units was ignored to "accommodate" aluminium major Hindalco. However, CBI officials maintain they are open to reconsidering their stated position should fresh evidence emerge.◆

WITH INPUTS FROM SUPROTIP GHOSH AND ARPITA MUKHERJEE



RADO STORES: AHMEDABAD: 26442802. BANGALORE: 30160121, 40982107. COCHIN: 4060336, 9142491424. CHENNAI: 42613000, 28464224, 30083480. GURGAON: 466560



RAJ VERMA

Still Bogged Down

The current account deficit has been tamed but inflation and a burgeoning fiscal deficit continue to weigh on the economy.

By SHWETA PUNJ

THE ONLY WAY TO CURB THE FISCAL DEFICIT WOULD BE THROUGH MASSIVE EXPENDITURE CUTS WHICH WOULD HURT GROWTH, CUTTING BACK ON SUBSIDIES IS NOT POSSIBLE IN AN ELECTION YEAR

The news is bad, but not all bad. The depreciation of the rupee is alarming, but it has helped exporters. A surge in exports can spur an economic turnaround. It was through exports, after all, that the East Asian countries recovered from the economic crisis of 1997 after their currencies – like India's today – had depreciated sharply.

But Indian exporters face major odds. The costs they incur, given the poor infrastructure and rising prices of goods in the country, makes them vulnerable to pressure tactics of clients who, aware of the rupee's fall in value, keep demanding discounts. Most exporters are unable to resist the pressure as they cannot hold on to stocks for long given their high-cost structure. "While the weakening rupee has given a fillip to business, most exporters continue to work on thin margins," says Rakesh Shah, an engineering goods exporter for nearly two decades. The benefits of depreciation are not really accruing even to them.

Kolkata-based Shah's advice is constantly sought by the Engineering Exports Promotion Council, an exports trade body, on how best to tackle the 'blackmailing tactics' of clients. He suggests capitulation as the most practical response. "An MSME exporter of sanitary castings called me saying an importer in Dubai wants a discount or else he will not release the payment," he says. "I told him 'Whatever money you get, please take it, or your cargo will be stuck'." He remains pessimistic. "In today's market, I see nothing that will make exports a pillar for the economy," he adds. (MSME stands for Micro, Small and Medium Enterprise.)

No doubt exports growth has been in double digits in recent months – it rose 11.6 per cent in July and 13 per cent in August. This has worked to lower the current account deficit (CAD), a key area of concern for the country. India's trade deficit for September declined sharply to $6.7 billion, the best monthly trade data in the last 30 months. The government can now realistically hope to meet its target of restricting the CAD to $70 billion in the current fiscal year. Even three months ago, the target was being considered too ambitious. Has the CAD crisis blown over? If it has, it could in turn prop up the rupee and make imports cheaper, helping to control inflation. The trade deficit narrowed after the government went into overdrive to lower imports imposing curbs on bringing in gold and non-essential items and liberalising external commercial borrowing guidelines. The measures "offered a quick fix to the balance of payment problem," says an August 12 Nomura report.

With the raising of import duty on gold

PLAN YOUR TRAVEL NOW

FROM AS LOW AS Rs. 6,000.

BOOK BEFORE NOVEMBER 30
FOR RATES AS LOW AS

Rs. 6,000

WITH RATES FROM AS LOW AS Rs. 6,000, plan your travel now with stay at hotels and resorts in the Hilton HHonors™ portfolio. And with a hotel brand to suit every style and any occasion, we give you the reason to choose among our six hotels in Delhi NCR and convenient locations in Mumbai, Chennai, Vadodara and Pune-Chinchwad. Plan your holiday at our resort in the heart of North Goa or the unique retreat and spa in Shillim-Lonavala, a short drive from Mumbai and Pune.

PARTICIPATING HOTELS:

New Delhi
Hilton Garden Inn New Delhi/Saket
Hilton New Delhi/Janakpuri

NOIDA
Hilton New Delhi-Noida-Mayur Vihar
DoubleTree by Hilton New Delhi-Noida-Mayur Vihar

Chennai
Hilton Chennai

Mumbai
Hilton Mumbai International Airport

Gurgaon
Hilton Garden Inn Gurgaon Baani Square
DoubleTree by Hilton Gurgaon-New Delhi NCR

Shillim-Lonavala
Hilton Shillim Estate Retreat & Spa

Goa
DoubleTree by Hilton Goa-Arpora-Baga

Vadodara
Hampton by Hilton Vadodara-Alkapuri

Pune
DoubleTree by Hilton Pune-Chinchwad

₹ 34,140

Book now at hiltonindia.com or call 000 800 440 2177

HILTON HHONORS

Hilton

DOUBLETREE

Hilton Garden Inn

Hampton

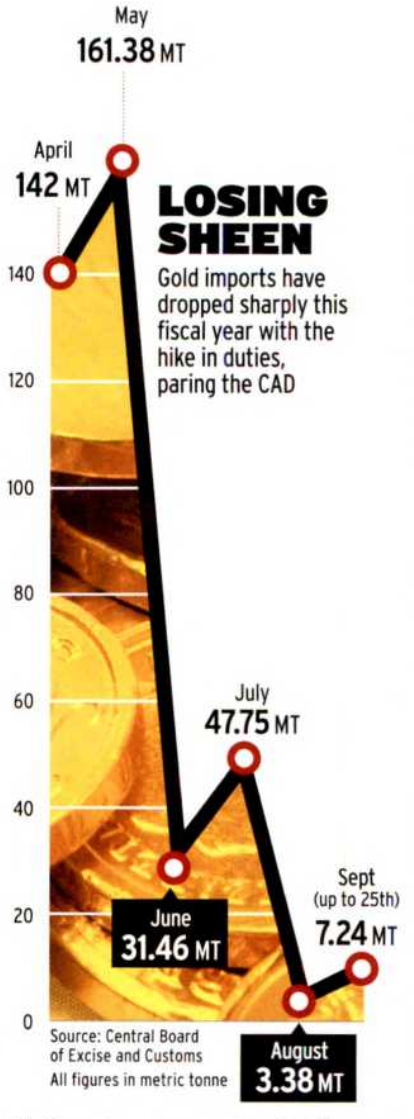
Sample daily rates featured are subject to availability, for travel through December 31, 2013. Rates will vary based on selected hotels and specific travel dates. Each hotel has a policy addressing cancellations and/or blackout dates that may apply. Unless otherwise stated, quoted rates are per room per night, based on single occupancy and do not include taxes, gratuities, incidental charges or resort fees (where applicable). The Best Available Rate is a specific rate type that varies depending on time of purchase, is unrestricted, non-qualified and excludes discount or negotiated rates not available to the general public, including, but not limited to: membership, corporate, government, promotional, group, packages, unpublished or rates only available on auction websites. Hilton HHonors™ membership, earning of Points & Miles™ and redemption of Points are subject to HHonors terms & conditions. ©2013 Hilton Worldwide.

jewellery from 10 per cent to 15 per cent, increasing customs duty and import tax on gold to 10 per cent, gold imports for August and September fell to $1.5 billion – the lowest in 52 months. Gold imports was one of the key factors responsible for India's high CAD. But with the festival and wedding season on, gold demand may be difficult to control indefinitely. "We think that the trade deficit troughed in Q2-FY14 (July-September) and it should inch higher in Q3," says Standard Chartered in its research report.

During his visit to Washington DC in early October, Finance Minister P. Chidambaram said the goverment had taken numerous reform measures over the past year. "We expect these measures to show their impact from the second half of the current fiscal year and believe that the economy will grow at over five per cent and perhaps closer to 5.5 per cent in 2013/14."

"IT'S A LOW GROWTH, HIGH INFLATION, HIGH INTEREST RATE EQUILIBRIUM, THAT WE ARE STUCK IN "

Samiran Chakraborty, Regional Head Research, South Asia, Standard Chartered



But there are few takers for his optimism. Many economic ills still remain untreated. "Three months back, all worries were about the CAD. Fiscal deficit and inflation were not big worries. Now,they are becoming more problematic. Slippages on the fiscal side will occupy investors' minds going forward," says Samiran Chakraborty, Head of Regional Research, South Asia, Standard Chartered.

The Indian economy will grow by 4.7 per cent in the current fiscal year, according to Standard Chartered estimates. Wholesale Price Index inflation will hover around seven per cent, according to some analyst estimates. Meanwhile, the government has exhausted 75 per cent of its fiscal deficit target in the first five months of 2013/14. The 2013/14 Budget has projected a growth rate of 6.5 per cent and set a fiscal deficit target of 4.8 per cent of GDP. The International Monetary Fund has cautioned that the fiscal deficit could rise to 8.5 per cent of GDP in the current fiscal year. "We have not seen any signs of an actual cyclical economic recovery," adds Chakraborty.

The only way to curb the fiscal deficit would be through massive expenditure cuts which would hurt growth, considering cutting back on subsidies is off the radar, at least until the general elections are over.

Projects worth over $64 billion have been cleared in the last few months, but nearly 65 per cent of CEOs interviewed in an October CII-CEO snap poll did not see investment reviving until the second quarter of 2014/15 after the elections. "A large number of MSMEs are part of a chain that feed into projects – which have been held up for almost a year. Many have got orders and not supplied. Some have everything ready but have not been able to secure payments," says Anil Bhardwaj, Secretary General, Federation of Indian Micro, Small and Medium Enterprises (FISME). Significantly, import demand for capital goods fell in the April-to-August period in 2013 – machinery and project goods imports dropped 12 per cent and 38 per cent – indicating a clear slowdown in the production cycle. Factory output for August slipped to 0.6 per cent from 2.75 per cent in July.

The good monsoon this year is expected to give a fillip to agriculture, and election-related spending could boost consumption, but an economic recovery could still take awhile, say analysts. "It's a low growth, high inflation, high interest rate equilibrium, that we are stuck in," says Chakraborty. ◆

A Perfect Partnership

A classic Sheaffer gift collection pen
with a complimentary stylish business card holder.

Gift sets start from ₹1250. Offer available on selected Sheaffer pens while stocks last.

WILLIAM PENN

THE WORLD PEN STORE

Shop online at www.williampenn.net or call us free on 1800 102 7366

For Corporate enquiries, call : 91672 10170 / 022 4016 9591

Bangalore | Chennai | Delhi | Hyderabad | Kochi | Kolkata | Mumbai

Lucrative Landscape

Global private equity funds are aggressively pursuing Indian special economic zones. By SARIKA MALHOTRA

G. KESHAV RAJ

Cash rich: A Chennai SEZ housing a BMW plant

THE GROWING PE INTEREST IN SEZS IS GOOD NEWS FOR DEVELOPERS WHO ARE GRAPPLING WITH UNSOLD INVENTORY AND HIGH DEBT

Reports of global investment firm Xander's acquisition of an IT special economic zone (SEZ) in Chennai from Shriram Properties and SUN-Apollo underscore how SEZs are becoming a viable option for foreign funds looking to invest in Indian real estate. The $112-million deal to buy Shriram The Gateway SEZ is the latest in a string of investments by private equity (PE) funds in SEZs this year. According to private equity research firm VCCEdge data, PE funds have invested $910.6 million in SEZs this year, the biggest PE investment in these zones since 2007. The previous best was $550.35 million in 2011.

The year's biggest deal in the beleaguered real estate sector was US-based private equity fund Blackstone's $414.78-million investment in a Gurgaon-based infotech SEZ project by Unitech Corporate Parks in September. Blackstone also teamed up with a clutch of investors to put in $368 million in Vrindavan Tech Village, Bangalore, early this year. In 2012 and 2011, it invested $200 million each in two SEZs promoted by Pune Dynasty Projects and Manyata Promoters.

SEZs are a perfect fit for large global funds with low risk appetites looking to invest in ready assets that can generate steady returns from the beginning because of assured rentals from blue-chip companies. Interestingly, most Indian private equity and real estate-focused funds are not vying hard for such assets because they involve megabucks and their investment mandate is to go for higher returns in the quickest time. "While this is the first wave of institutional investors investing in such core assets, the market will witness more such transactions as inventory for such ready-to-move-in assets is getting completed for consumption since 2012," says Shobhit Agarwal, Managing Director, Capital Markets, Jones Lang LaSalle.

The growing PE interest in SEZs is good news for real estate developers who have been grappling with unsold inventory and mounting debts. Sanjeev Krishan, Executive Director and Private Equity Leader, PWC, says selling an asset to a fund is the best way for a developer to monetise its investment. He adds that big sales are particularly helpful for developers saddled with high debts. "Such sales will also encourage developers who had stalled their SEZ projects or were working on them slowly due to policy uncertainty over tax exemptions for new zones," says Krishan. ◆

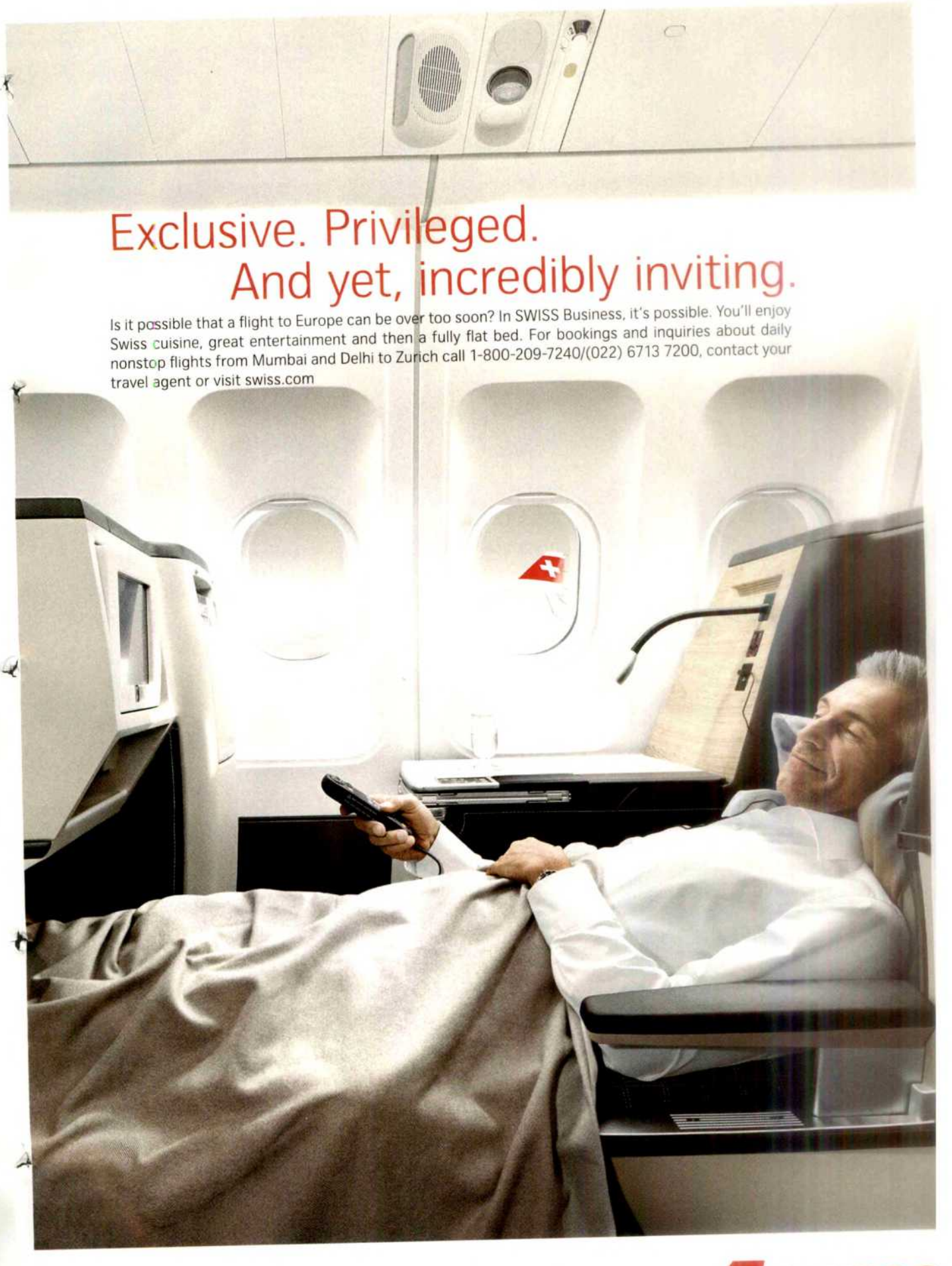
PE INVESTMENTS IN SPECIAL ECONOMIC ZONES

Year	Deal Value ($ mn)
2007	135.56
2008	255.84
2009	NI*
2010	NI*
2011	550.35
2012	212.86
2013 YTD	910.6

Source: VCCEdge
YTD: Year to date
* No Investment

Exclusive. Privileged.
And yet, incredibly inviting.

Is it possible that a flight to Europe can be over too soon? In SWISS Business, it's possible. You'll enjoy Swiss cuisine, great entertainment and then a fully flat bed. For bookings and inquiries about daily nonstop flights from Mumbai and Delhi to Zurich call 1-800-209-7240/(022) 6713 7200, contact your travel agent or visit swiss.com



Our sign is a promise.

SWISS

A STAR ALLIANCE MEMBER

Action Memo
Just scribble to make a call, send a text message or save a number to your contacts.

New Multi Window
Run two different apps or the same app in two windows and seamlessly drag and drop content from one to the other.

Smart Relay
Content displayed on Galaxy Gear's screen is instantly relayed to the Galaxy Note 3, when you pick it up.

Available at Samsung exclusive stores SAMSUNG SAMSUNG | SmartCafé, all leading Mobile Stores and at www.samsung.com/in/estore SAMSUNG eStore

Life is by design

When you are inspired by a passion, you live for the current moment.
Your everyday thoughts and actions become the story of your future.
Galaxy Note 3 and Galaxy Gear help you achieve your passions and dreams.
More easily, more amazingly, every day.
When writing the story of your life, don't let anyone else hold the pen.

Samsung GALAXY Note 3 + Gear DESIGN YOUR LIFE

Available in: Jet Black | Classic White | Blush Pink

To know more SMS '**NOTE3**' OR '**GEAR**' TO **56886**** OR visit us at : **www.samsung.com/in/galaxynote3**

Terms & Conditions Apply. Images, features and specifications shown here are for representational purposes and are subject to change without notice. **Premium SMS Charges Apply.

Cheil-0777/13

Why English-language Channels are Growing

Their viewership is up more than 40 per cent in the past year, thanks to the Digital Access System. By AJITA SHASHIDHAR

Global Village: The latest episodes of popular US TV shows such as *The Michael J. Fox Show* (top left), *The Blacklist* (bottom left and centre), *Sleepy Hollow* (top right) and *Agents of S.H.I.E.L.D* (bottom right) can now be watched in India as well

DIGITISATION GIVES THE CUSTOMER ACCESS TO MORE THAN 10 ENGLISH-LANGUAGE ENTERTAINMENT CHANNELS, WITH HIGHER QUALITY TRANSMISSION

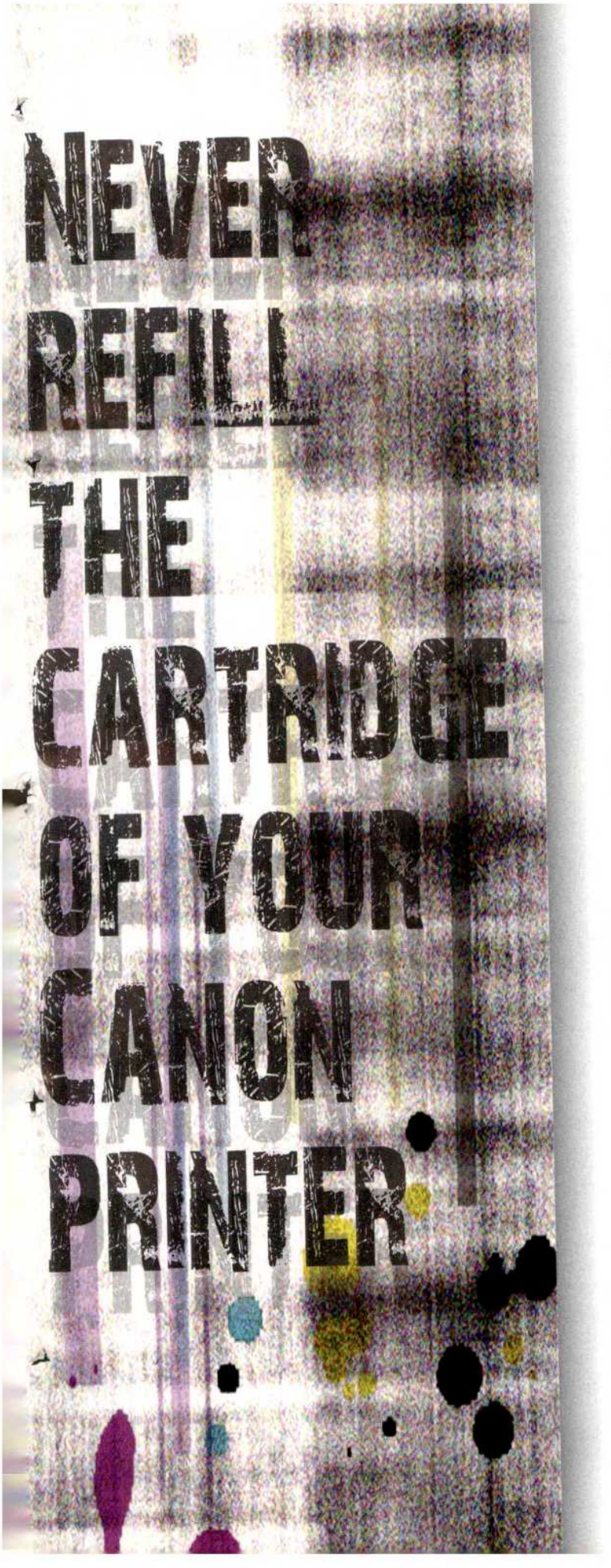
Every time Siddhartha Mehta, a 25-year-old investment banker in Mumbai, goes to New York for work, he buys videos of the latest TV shows, such as *Game of Thrones* and *Homeland*. His pet peeve is that Indian English-language entertainment channels are generally a couple of seasons behind. "If Hollywood movies can be released in India at the same time as in the US, why can't the TV channels air the latest seasons of popular television shows," he asks.

Nineteen-year-old Amlan Roy, a resident of Hyderabad, resorts to downloading shows from The Pirate Bay – the well known site which facilitates free downloads of copyrighted material – because his analog cable operator does not offer English-language entertainment channels such as Star World or AXN. Analog networks can handle only up to 70 channels, so cable operators often stick to Hindi general entertainment and regional-language channels.

However, digitisation is making people like Mehta and Roy happier. It gives them access to more than 10 English-language entertainment channels, and the transmission is of higher quality.

Digital networks can carry 300 to 1,000 channels. "In the pre-digitisation era, a broadcaster would place an English channel on a prominent band only in five or six top cities," says Kevin Vaz, Business Head (English Channels) at Star India. "In the rest of the country, an English channel would always be placed in one of the lowest bands, where the picture and sound quality are bad. As a result, the rest of India hardly got to view quality English content. Digitisation has broadened the scope significantly."

No wonder viewership of English entertainment channels has shot up by 40 per cent in the country since November 1, 2012.



Canon

Delighting You Always

ALWAYS USE CANON GENUINE CARTRIDGES

CANON *deserves* A CANON CARTRIDGE

- **Produces top quality prints**
- **Ensures 100% compatibility**
- **Maximum productivity with minimized downtime**
- **Ensures longevity of printer**

Call: 39010101 or 1800-180-33-66

Visit: www.canon.co.in

Percept/A 091CA

BROADCASTERS ARE CONFIDENT THAT SUBSCRIPTION-BASED CHANNELS WILL WORK EVEN IN INDIA, WHERE 60% OF THEIR REVENUE COMES FROM ADVERTISING

when the first phase of digitisation started.

Viewers now not only have more content to choose from, but the launch of premium channels such as HBO Defined, HBO Hitz and Star World Premiere HD gives them access to the current season of popular American sitcoms at almost the same time as when they are aired in the US, in high-definition.

Premium content, however, is not free. Star World Premiere costs ₹60 a month, while HBO Defined and HBO Hitz are available at an inaugural price of ₹69.

CHANNEL SHARE

Change in the market share of English-language general entertainment and film channels

	8 METROS	SHARE		
	Channel	Pre-digitisation 2012	Post-digitisation 2013	% Change
ENTERTAINMENT	BIG CBS LOVE CHANNEL	0.00	**0.02**	100
	BIG CBS PRIME CHANNEL	0.00	**0.01**	100
	FX	0.02	**0.03**	22
	Z CAFE	0.04	**0.04**	5
MOVIES	HBO	0.13	**0.19**	31
	MOVIES NOW	0.20	**0.24**	20
	Sony PIX	0.12	**0.19**	35
	STAR MOVIES	0.18	**0.26**	31
	UTV WORLD MOVIES	0.03	**0.05**	30
	WB	0.10	**0.17**	39

Source TAM C&S 4+. Pre-digitisation average of Weeks 33-39 of 2012, and post-digitisation average for the same weeks of 2013

Consumers are willing to pay. "I'd rather pay for high-quality content than download pirated content," says Roy.

Star India's Vaz says he is confident that if a broadcaster offers a good product, there will be takers. A spokesperson for the Mumbai-based last-mile cable operator CTV agrees that people are willing to pay for content of good quality, and adds: "I have been losing consumers to DTH over the past month, because my network doesn't offer Star World Premiere." The Star channel is currently available only on direct-to-home platforms.

Indeed, channels such as Star World Premiere and HBO Hitz are completely subscription-driven, and do not depend on advertising revenue. Broadcasters are confident that subscription-based channels will work even in a market like India, where over 60 per cent of their revenue comes from advertising. Except for India and Pakistan, HBO is subscription-based worldwide, says Monica Tata, Managing Director, HBO India. "We have been able to launch a subscription-based channel in India only because digitisation has enabled us to air good content with HD quality and surround sound. The response to our subscription channels has been phenomenal."

Subscriptions would be the way to go for most English entertainment and movie channels, says Mona Jain, CEO of VivaKi Exchange, a media planning and buying agency. "One will see more and more English-language broadcasters premiumising their content and going the subscription way."

Despite the leap in viewership, ad rates remain low. A 10-second spot on Star World or Star World Movies – both English-language channels that depend on advertising revenues – is usually in the region of ₹2,000 to ₹- 2,500, while Star Plus, the group's flagship Hindi general entertainment channel (GEC) commands ₹1.5 lakh to ₹2 lakh. VivaKi's Jain says it will take time before advertisers make that leap of faith. "English entertainment channels are a great platform for advertisers to target youth who are difficult find on Hindi GECs," she says. "Advertiser interest in these channels is growing."

What is the future of subscription-driven English-language channels in a market that is used to paying a paltry ₹140 a month to watch a whole host of channels? Saurabh Yagnik, Executive Vice President and Business Head at Sony Pix, says: "Though subscription is the way forward, the revenue model has not been optimised yet. As we keep evolving, we will get critical mass for the audience, and then the model will optimise. Till then, we will have to depend on advertising." ◆

JKT

A Global IT Solutions, Consulting and Service Company

India Offices

Noida | Bangalore | Mumbai
Gurgaon | Kolkata | Chennai | Pune

International Offices

United Kingdom | United States

www.jktech.com

Our Partners

SAP Gold Partner
Microsoft GOLD CERTIFIED Partner
salesforce
ABeam Consulting
ORACLE Gold Partner
Kentico

125 years Legacy of excellence

$ 4 Billion Enterprise | 50, 000 Professionals | Operations in 80 Countries

A CORNER OFFICE OF HER OWN

A number of women leaders have made it to the corner office in the past year. Interestingly, the state-owned banks have been in the lead in promoting them to the top job. A list of the best known among them.

Graphic by **Santosh Kushwaha**
Research by **Jyotindra Dubey**

2014 | 2013

NISHI VASUDEVA

Chairman & Managing Director, HPCL
From Feb 28, 2014

An alumnus of the Indian Institute of Management, Calcutta, she is currently Director (Marketing) at HPCL. She will take over the top job in February next year. She has experience of over 30 years in the oil industry beginning with Engineers India Ltd.

DEEPAK SANDHU

Chief Information Commissioner, Central Information Commission
From September 5, 2013

An Indian Information Service officer of the 1971 batch, Sandhu is the first woman in this position. Prior to her current assignment, she was Director General DD News and Director General (News) All India Radio.

ARUNDHATI BHATTACHARYA

Chairperson, SBI
From Oct 7, 2013

She is the first woman in this position at the country's largest bank. Bhattacharya started her career with this very bank as a probationary officer in 1977. During her 36-year tenure, she has held varied assignments, including Deputy Managing Director and Corporate Development Officer. She also headed SBI Capital Markets Ltd, an SBI subsidiary, and the New York office of SBI.

SUDHA SHARMA

Chairperson, Central Board of Direct Taxes
From June 1, 2013

She is a 1976-batch Indian Revenue Service officer. Sharma earlier served as member (legislation and computerization) in the seven-member CBDT. She has also served as Director General (Vigilance) of the Income Tax department before her appointment to the CBDT.

CHITRA RAMAKRISHNA

Managing Director and CEO,
National Stock Exchange
From April 1, 2013

A qualified chartered accountant, she has been with the NSE since it was launched in 1991. She was part of the five-member core team selected by the government to create a screen based pan-Indian stock exchange.

PRAVEEN MAHAJAN

Chairperson, Central Board of Excise & Customs
From August 9, 2012

Mahajan is a 1976 batch Indian Revenue Service officer. For the first time, the CBEC has an all women board, the other members being Shiela Sangwan (Service Tax), Sreela Ghosh (Excise), Shanti Sundaram (Legal) etc.

VIJAYALAKSHMI R. IYER

Chairperson and Managing Director, Bank of India
From November 5, 2012

She has more than 30 years of experience in banking. Her career began with Union Bank of India in 1975 where she was a field officer for 12 years. Before joining Bank of India she was Executive Director of Central Bank of India.

2012

ARCHANA BHARGAVA

Chairman & Managing Director,
United Bank of India (UBI)
From April 23, 2013

She joined United Bank of India (UBI) as its Chairperson and Managing Director in April, 2013. Her banking career began with Punjab National Bank (PNB) as a management trainee. She worked for 34 years with PNB and handled corporate credit, priority sector, planning and development and financial Inclusion. She was also Executive Director with Canara Bank before joining UBI.

SHUBHALAKSHMI PANSE

Chairman & Managing Director,
Allahabad Bank
From October 4, 2012

She began her career with Bank of Maharashtra as a probationary officer. Before taking over the top job at Allahabad Bank, she was Executive Director at Vijaya Bank. She has vast banking experience and has handled various responsibilities including recovery, credit, fund management and accounts.

However, these women are exceptions. The corner office and indeed, senior management positions, continue to be male dominated. India remains way behind many other countries in gender diversity at the top as The Grant Thornton International Business Report 2013 reveals.

WOMEN IN SENIOR MANAGEMENT

Figures in per cent

Source: Grant Thornton International Business Report 2013

Turning a Page

The woes of music retail notwithstanding, book stores are not an open-and-shut case yet. By SHAMNI PANDE

The music industry's demise was an open secret. But RP-Sanjeev Goenka Group's decision to shut down all Music World stores in June seems to have set in motion a domino effect in the industry. Close on the heels of this announcement came news of the downsizing of Reliance Retail's TimeOut music, movies and book stores and the high-profile exit of Bijou Kurien, Reliance Retail's president and CEO (Lifestyle). Videocon's Planet M too has scaled down growth plans.

After music, what is the future for book retailing? Market experts say books are unlikely to go the same way as music any time soon. India's books market, barring educational books, is valued at ₹1,600 crore and is part of an estimated ₹3,500-crore books-music-stationery industry. "The demise of music comes as no surprise. Not just the sale of music CDs but even the audio industry is impacted as people are changing the way they consume music. However, logic suggests that book retailing should grow, especially in India where new and young consumers are getting added," says Raghav Gupta, Principal, Consumer & Retail Practice, Booz & Company.

Certainly, the plans of some key players suggest book retailing isn't likely to die out soon. K. Raheja-owned Crossword Bookstores hopes to add eight to 10 stores in 10 months to its existing 84 stores, says Kinjal Shah, COO, Crossword. He believes smaller cities such as Surat, Patna, Kohima and Guwahati offer great growth potential. Shah is not blind to the nascent trend of e-books. "We have just inked a tie-up with Kobo for our readers to download books and we are also actively going to promote it," he says. Kobo is among the leading global providers of book e-reading services.

Dedicated book publishers and distributors venturing into book retailing are optimistic. "We have found tremendous offtake at our bookstore recently launched in Bangalore. We are planning to open a store in Chennai," says Ajay Mago, CEO, Om Books International, the largest Indian English trade publisher. "We are going slow and steady and have grown our presence to 10 stores. We do not want to spread ourselves in a million other things that have little to do with books and create inventory issues," says Mago.

Industry observers point to the success of business model used by dedicated book stores such as Crossword and Om Books. Their specialist knowledge offers them an edge over general retailers selling books along with other products A little protection will not hurt, though. "We need to learn from the experience in France that has banned the discount of online stores beyond a minimal level to protect the book publishing industry," says Mago. ◆

SANJAY RAMACHANDRAN

Not yet the last word: People still flock to bookstores like Crossword, Bangalore (above)

HOOKED ON BOOKS

- Crossword still expanding
- Players looking at key malls and smaller cities
- Decreasing exposure on music retail
- Looking at small stores
- E-books to be the next big thing

AHMEDABAD ALPHAONE BANGALORE ORION MALL, PHOENIX MARKET CITY CHANDIGARH ELANTE MALL CHENNAI EXPRESS AVENUE DEHRADUN PACIFIC MALL DELHI AMBIENCE MALL, VASANT KUNJ, PACIFIC MALL GURGAON AMBIENCE MALL HYDERABAD GVK ONE MALL KOLKATA SOUTH CITY MALL LUDHIANA MBD NEOPOLIS, FEROZEPUR ROAD MUMBAI INFINITY MALL, PHOENIX MARKET CITY, VAMA, PEDDER ROAD PUNE PHOENIX MARKET CITY ALSO AVAILABLE AT CLUB AMERICA*, KAPSONS*, SHOPPERS STOP*, JABONG.COM, MYNTRA.COM
NAUTICA
*Selected stores only

PMI India Awards for

PMI India Awards 2013 - honoring excellence in project management.

The PMI India Awards are the industry's most prestigious and distinguished recognition. The awards pay tribute to groundbreaking projects that demonstrate superior performance, exemplary implementation and innovative processes to achieve their strategic and business goals. PMI India has established 6 award categories to recognize and honor contributions and achievements in the project management profession. PMI India has been administering its Awards Program since 2009 on an annual basis. PMI India 2013 awards were given away by Mr. Arun Maira – Member, Planning Commission, and Ms. Deena Gordon-Parla, Board of Director, PMI along with Mr. Raj Kalady, Managing Director, PMI India.

PROJECT OF THE YEAR - LARGE
(Budgeted Project Cost of more than Rs. 1000 Crores)

WINNER
MHN Process Platform & Living Quarter Project
Larsen & Toubro Limited

RUNNER UP
4 *300 MW Rosa Thermal Power Project
Reliance Infrastructure

PROJECT OF THE YEAR - MEDIUM
(Budgeted Project Cost between Rs. 100 Crores - Rs. 1000 Crores)

WINNER
Mechanization of CQ3 Berth
Essar Projects (I) Ltd.

RUNNER UP
Blockpoint 2
IBM India Pvt Ltd

exceptional projects

PROJECT OF THE YEAR - SMALL
(Budgeted Project Cost of less than Rs. 100 Crores)

WINNER
Polyester Staple Fibre - New Draw Machine innovative installation to increase production by 15%
Reliance Industries Limited

RUNNER UP
Industrial Facility for Alstom Transport India Limited
CBRE

PROJECT OF THE YEAR - NGO

WINNER
Extending Solar Lighting in Selected Indian States
The Energy and Resource Institute (TERI)

RUNNER UP
First ever T20 Cricket World Cup for the Blind
Samarthanam Trust for the Disabled

PROJECT OF THE YEAR - CONTRIBUTION TO THE COMMUNITY

WINNER
Kalyanpura Integrated Watershed Development Project - a unique public-private-people initiative
ITC Limited

For conference updates, please visit
www.pmi.org.in/conference2013

For more details on PMI,
log on to www.pmi.org.in or
email pmi.india@pmi.org

PMI®
Project Management Institute

Smart Office

App: QuickOffice; iOS
Cost: Free

This isn't a new app, but has recently gone free on iOS. Acquired by Google, the QuickOffice app is a handy office suite like Microsoft Office on your smartphone. It allows you to create new Word, Excel and PowerPoint files and edit the existing ones. Configured with the Google account, it can also access files in the Google Drive and save new files to this location. It also lets you share documents with others.

A FREE OFFICE SUITE APP, LG'S NEW SMARTPHONE AND A CONVERTIBLE WHICH CAN BE USED FOUR WAYS

Pushed Buttons

LG's smartphones are good, but they have not been able to create the buzz in India some of their rivals have. After Nexus 4, the company has now launched LG G2 which shifts a few buttons from where they are expected to be, and thus takes some time getting used to. The power and volume controls, usually on the side panel, are at the back here. No need to reach for the power key to wake the phone up, a double tap on the screen suffices. The interface is neat and easy to use. The snap-on cover LG has designed has a window in front through which one can access the clock and the music player. Calls can also be accepted and rejected using the window, without opening the cover. This model also has a powerful 13MP rear camera with optical image stabiliser that captures superb images.

NIDHI SINGAL

Great display, camera

Hard to get used to rear buttons; no microSD card slot

LG G2 **Price:** ₹41,500

ACER ASPIRE R7 **Price:** ₹79,999

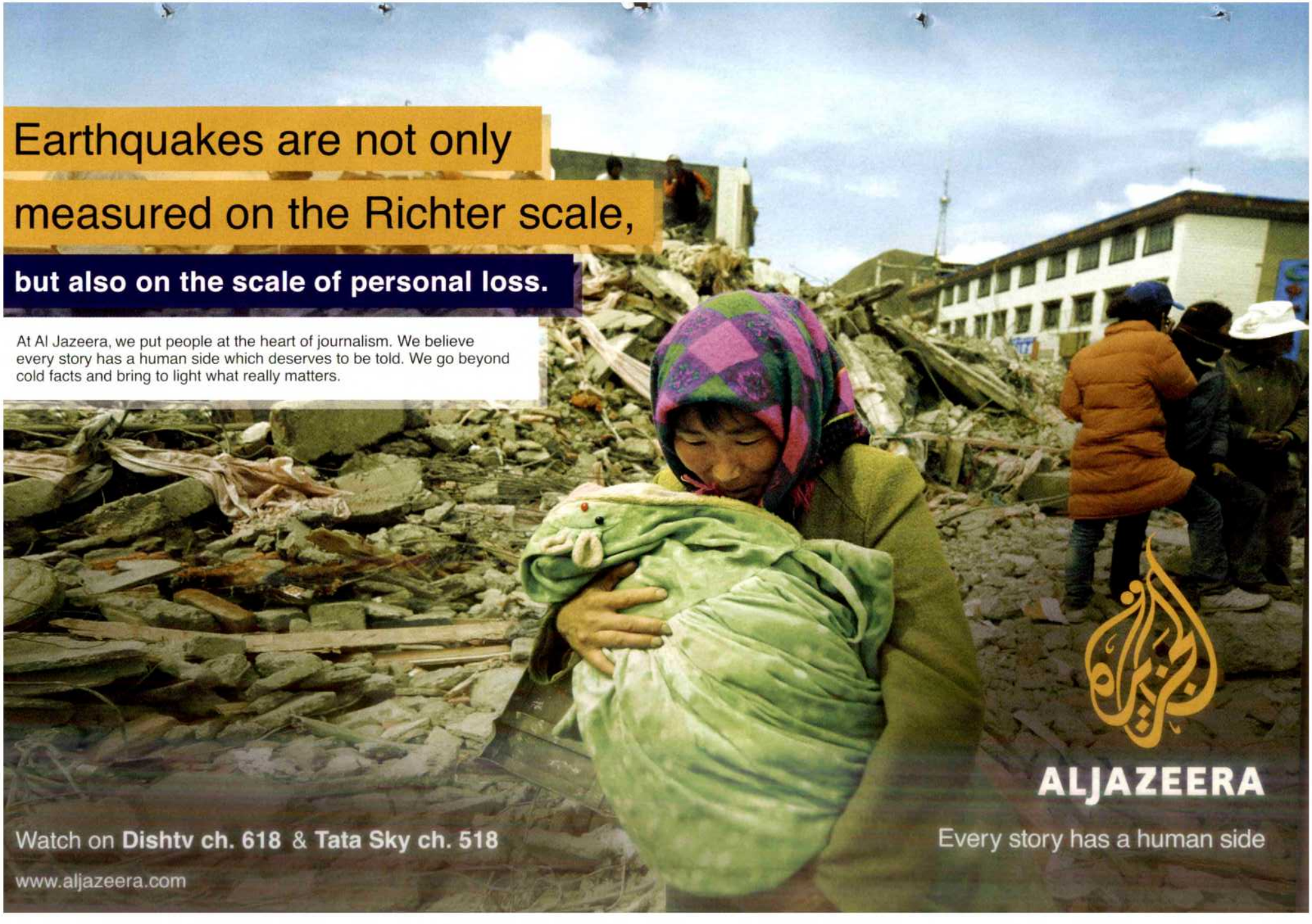
Four-in-one

The Acer Aspire R7 is a convertible, but not an ultrabook like others of this breed. The design is so original it has 20 patents, and hence at least four modes in which it can be used. There is the regular laptop mode, an easel mode where the screen is up front, a pad mode where it is used like a tablet and a display mode which can be used while showcasing something on the screen. But at 2.6 kg the device feels a bit too heavy to be used as a tablet. The 15.6-inch full HD touchscreen is stunning and the touch very responsive. The sound quality is also good. The R7 is a very powerful device, thanks to its Intel Core i5 processor with 6 GB RAM. This is a good desktop replacement that can become a shared family device for play and entertainment. Don't think of lugging it to the office, though.

NANDAGOPAL RAJAN

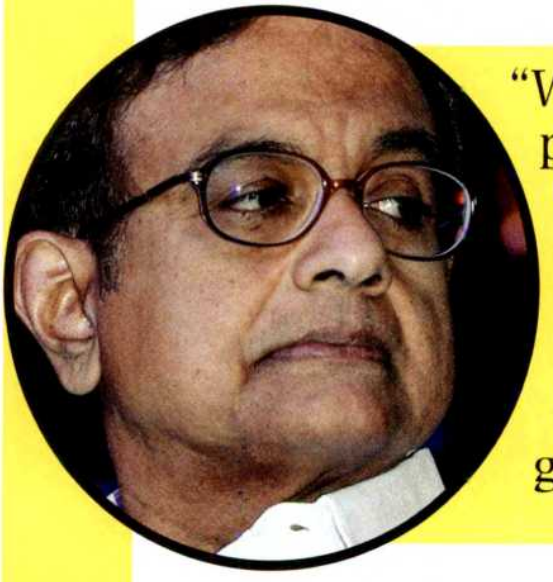
Power & performance; build quality

Weight; awkwardly placed trackpad


Earthquakes are not only
measured on the Richter scale,
but also on the scale of personal loss.
At Al Jazeera, we put people at the heart of journalism. We believe every story has a human side which deserves to be told. We go beyond cold facts and bring to light what really matters.
ALJAZEERA
Every story has a human side
Watch on Dishtv ch. 618 & Tata Sky ch. 518
www.aljazeera.com

"I expect to see recovery in the coming quarters. Exactly how much... is difficult to predict. But we are definitely on a turnaround path"

Montek Singh Ahluwalia, *Deputy Chairman, Planning Commission, in* Businessworld



"We do not share this pessimistic outlook. We also believe there is a need for reviewing the methodology for growth projections, as IMF projections have often been at divergence with final growth numbers in the past"

P. Chidambaram, *Union Finance Minister, to wire agencies*

"I reject the IMF numbers. The Indian economy is seeing a turnaround both in terms of growth in manufacturing and domestic demand and a buoyancy in exports"

Anand Sharma, *Commerce and Industry Minister, in a press release to wire agencies*

"INDIA'S GROWTH POTENTIAL REMAINS HIGH BUT ITS MACROECONOMIC VULNERABILITIES AND RISING PRESSURE FROM THE DEPRECIATION OF THE RUPEE COULD IMPACT THE SPEED OF RECOVERY"

Denis Medvedev, *Senior Country Economist, World Bank, India, in* The Financial Express

"The economy is nearing the bottom of the current cycle and there is recovery in sight as investment should improve from the fourth quarter"

Glenn Levine, *Senior Economist at Moody's Analytics, to wire agencies*

RELIANCE
Mutual Fund

Get›Set›Invest
An Investor Education and Awareness Initiative by
Reliance Mutual Fund

DIVERSIFY YOUR WEALTH INTO LIQUID, EQUITY AND DEBT ASSET CLASS WITH MUTUAL FUNDS.

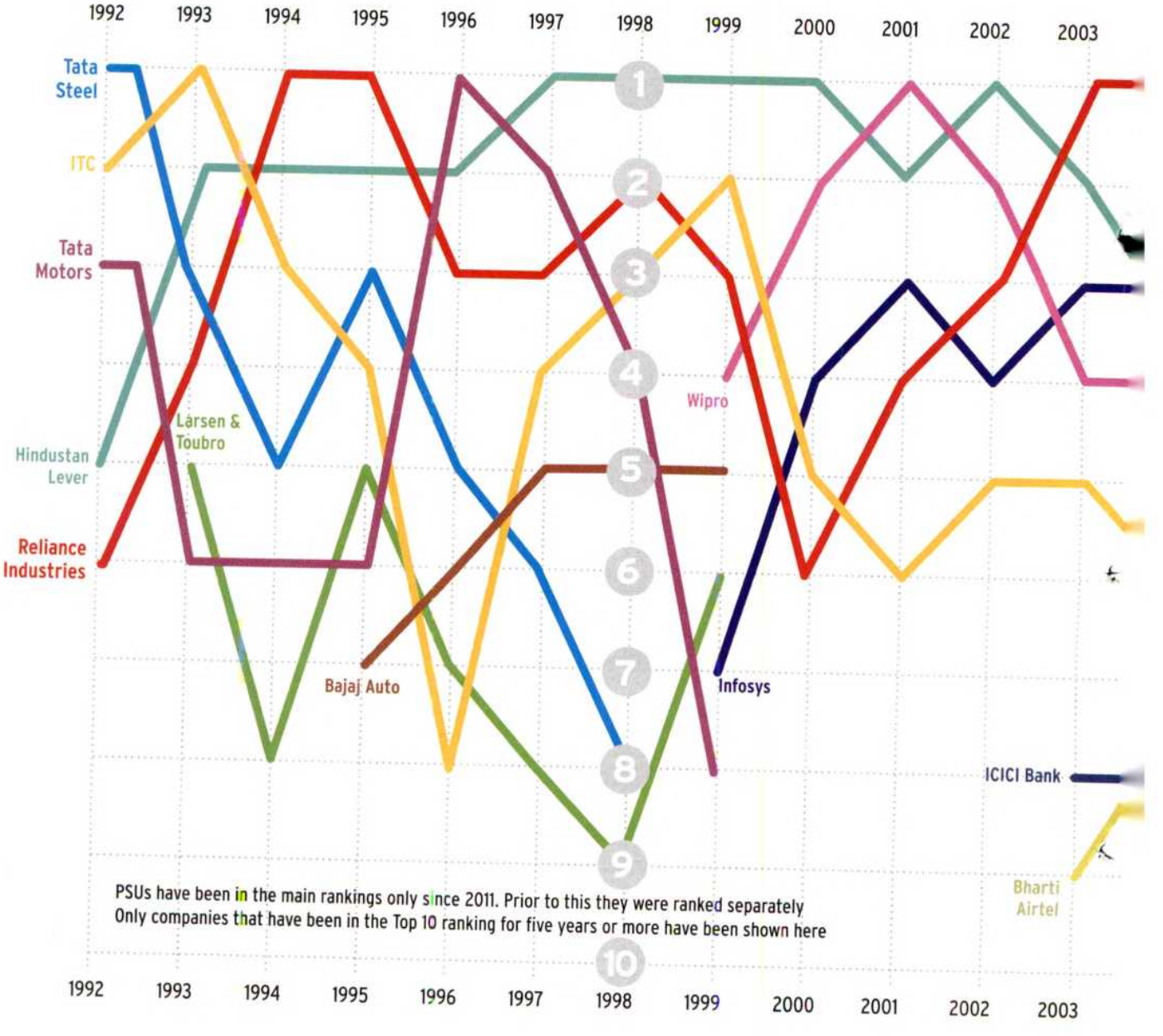
Investing in Mutual Funds allows you to distribute your wealth across various asset classes viz. Liquid, Equity and Debt.

Give a missed call on 022 33598553 | Visit www.reliancemutual.com

Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.

BT 500

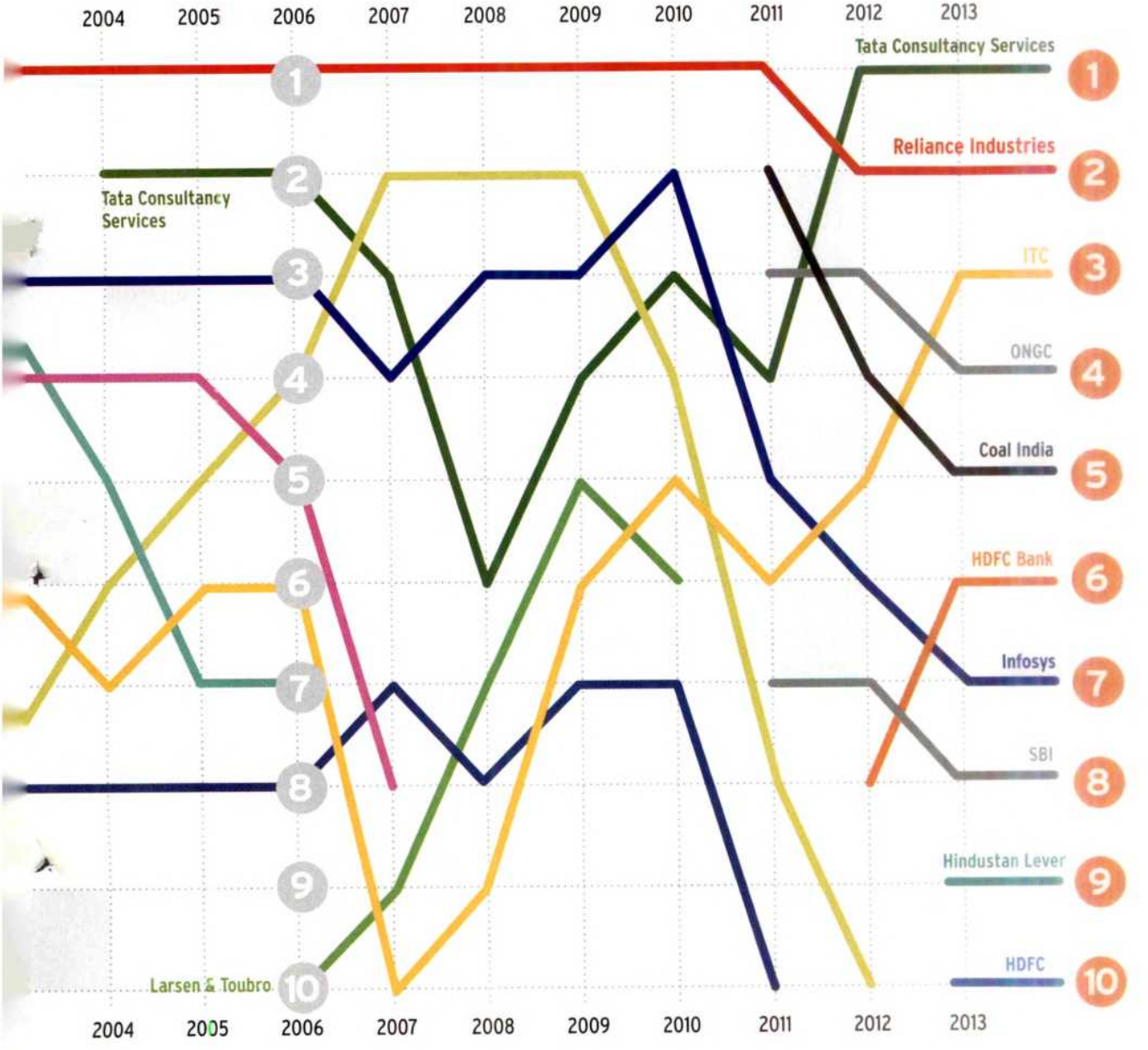
India's Most Valuable Companies



GRAPHIC BY SANTOSH

When Tata Consultancy Services (TCS) dethroned Reliance Industries (RIL) as India's most valuable company in our annual *BT* 500 ranking last year – ending RIL's nine-year reign as No. 1 – it was expected that the two would have close contests for the next few years. The difference in their average market capitalisation then was just ₹1,625 crore. (Our ranking is decided on the basis of average market capitalisation for the first half of each year.) But what has happened since is surprising. TCS has surged ahead of RIL in this year's comparison, the gap between them widening to ₹51,642 crore. Our lead story *Bigger than Before* looks at what contributed to TCS's strong show.

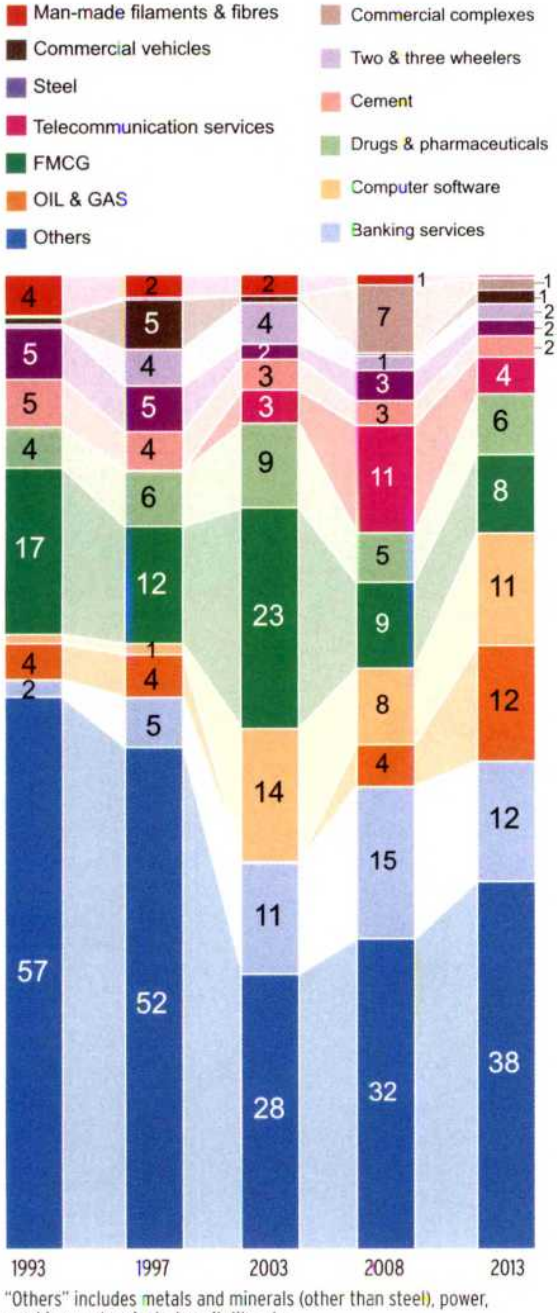
The ranking this year has thrown up other surprises. In a difficult year, almost all FMCG companies, for instance, have shown a rise in the ranking. We tell the FMCG story through Godrej Consumer Products, which has stormed into the Top 50 of the ranking (see *Ministering to the Masses*.) Again, Tech Mahindra has been growing in recent times – its ranking rising sharply to 64 this year after the merger with Mahindra Satyam – and hopes to catch



For previous *BT* 500 reports, go to
www.businesstoday.in/archives-nov1013

EBB AND FLOW

How the shares (in market capitalisation) of top sectors in *BT* 500 have changed since 1993



"Others" includes metals and minerals (other than steel), power, machinery, chemicals, hospitality, etc.
Visualisation by Gramener

up with its bigger Indian peers soon. We look at its strategy (see *The Big League Beckons*). There are also seven new entrants in the ranking this year, but among them, Just Dial's debut has been the most spectacular (See *Hitting the Right Numbers*).

We have sobering reports too. Close to 75 per cent of the central PSUs in the *BT* 500 list have fallen in the ranking. *Poor Show Undertakings* looks at what went wrong. Digitisation has unlocked a lot of value for cable companies such as Hathway and Siti Cable whose market cap has risen sharply. We look at what triggered investor interest in these and the challenges they still face (See *Most Valuable Companies* for the pages to turn to).

Through the chart on the previous page we have mapped companies that have occupied the top 10 *BT* 500 ranks over the years. It shows how some once-dominant players have disappeared from this hallowed list to be replaced by new stars. In the chart alongside, we look at how different sectors have fared over the years. It can be seen that the structure of the *BT* 500 rankings has undergone a significant change since 1993 when this exercise began. The FMCG sector, for instance, which was the largest in terms of market capitalisation then with a share of 17 per cent and 23 per cent a decade later, now has just eight per cent share. Similarly the share of core sectors such as cement and steel has also shrunk from five per cent each in 1993 to two per cent this year. Indeed, sectors such as metals and minerals (other than steel), power, machinery, chemicals and hospitality which together, in the early 1990s comprised more than half the total market capitalisation of *BT* 500 companies, today account for 38 per cent.

In contrast, some other sectors have gained too. Banking services, with a market capitalisation of two per cent in 1993, has 12 per cent this year. Along with oil and gas, it forms the largest sector in the ranking. Oil and gas had a four per cent presence on 1993. The software sector, tiny in 1993 with a one per cent share of market cap, has grown to command 11 per cent share in 2013. The change mirrors the transformation in the economy in the last 20 years. ◆

N. MADHAVAN
RESEARCH BY JYOTINDRA DUBEY & NITI KIRAN

MOST VALUABLE COMPANIES

46 Bigger than Before — TCS's achievement
64 Up to Data — The fine print
72 Ministering to the Masses — Godrej Consumer's rise
78 The Big League Beckons — Tech Mahindra's game plan
83 Hitting the Right Numbers — Just Dial's success
88 Poor Show Undertakings — PSUs take a hit
92 The Cable Guys — Cable cos & digitisation
98 Behind the Rankings — The methodology
100 Tables — The Top 500
120 Tables — The Next 500
140 Alphabetical Index

Canvas Turbo

CAN JUGGLE MANY LIVES

Multitasking is no longer a task. Powered by the 1.5GHz Quad Core processor, the Canvas Turbo makes sure you don't have to wait for things to happen. You can be at two places at once with the Multi Video View and Pop Up Video and Browser. The unique Camerazzi camera lets you capture a complete 360° panorama, create animations and erase unwanted elements from your images. Watch, stream, mail, browse and more at the same time, because the Canvas Turbo can juggle many lives.

12.7cm (5) Full HD IPS Screen | Full Aluminium Body | 1.5GHz Quad Core | 2GB RAM | Android 4.2 (Jelly Bean) | 13MP Rear Camerazzi Camera | iFloat | 16GB Internal Memor

Specifications are subject to change without prior notice. Services and some features may be dependent on the

Bigger Than Before

TCS has extended its market cap lead over Reliance Industries and widened the revenue gap over its nearest IT rivals. It is now preparing to consolidate its position.

By GOUTAM DAS

RACHIT GOSWAMI/www.indiatodayimages.com

Man of the moment: TCS CEO N. Chandrasekaran, standing on top of the Air India skyscraper in Mumbai

SNAPSHOT

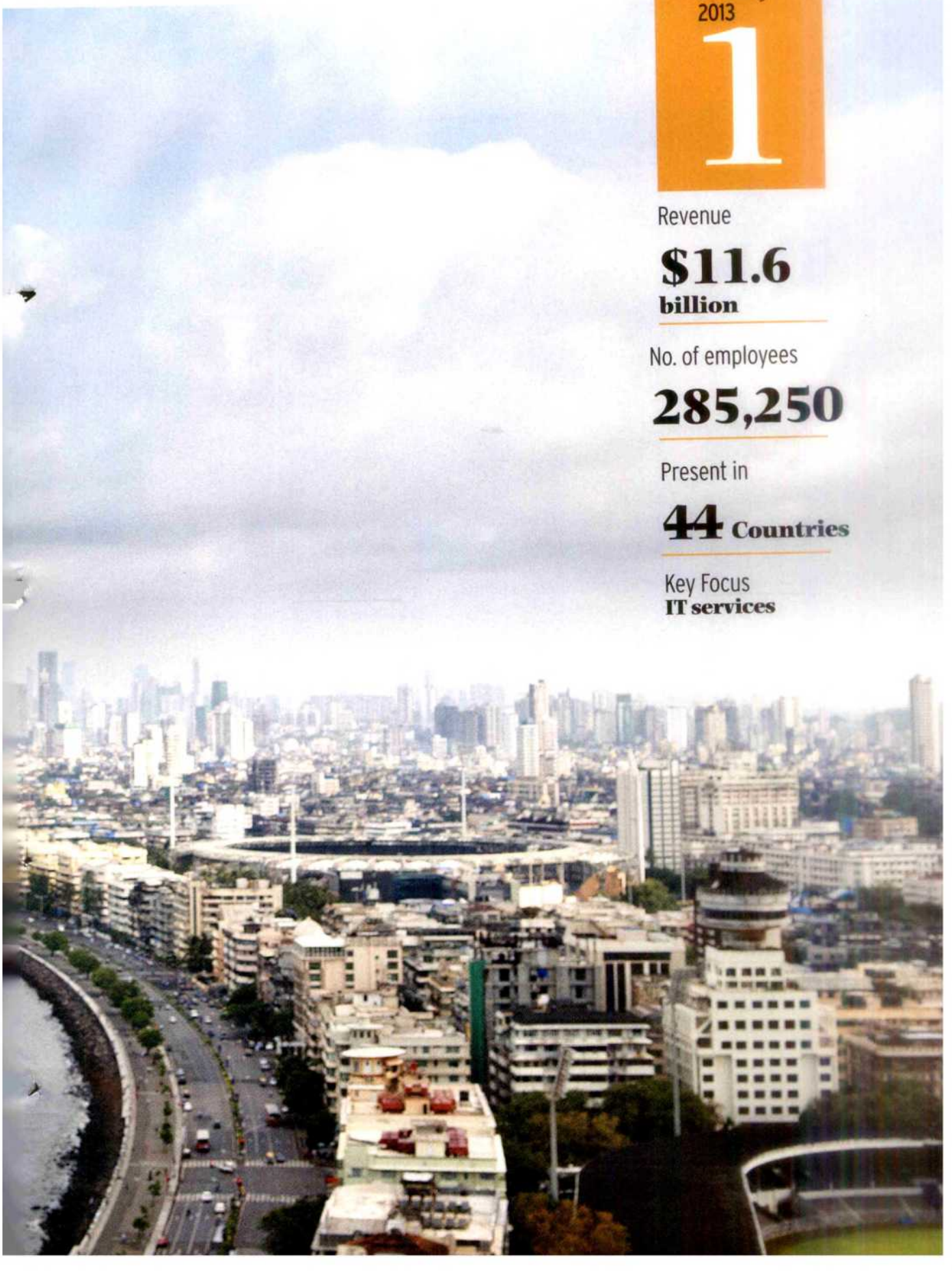
Ranking
2013
1

Revenue
$11.6 billion

No. of employees
285,250

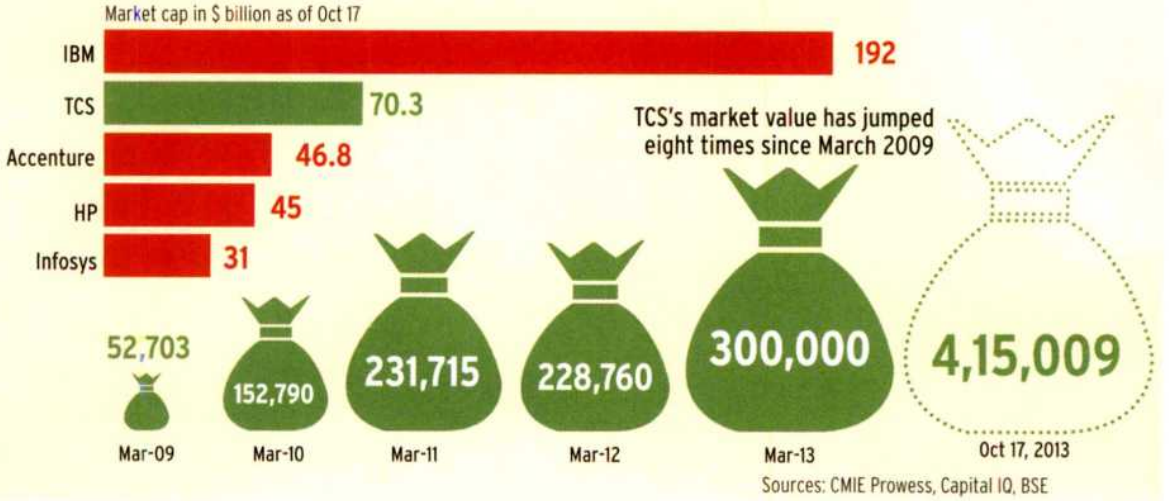
Present in
44 Countries

Key Focus
IT services



HIGHLY VALUED

TCS is the second-largest IT company by market value globally



Sources: CMIE Prowess, Capital IQ, BSE

TCS House, where the corporate headquarters of Tata Consultancy Services (TCS) stand, is a 1922-built baroque revival-style heritage building in Mumbai. In October 2009, soon after he took over as CEO of the company, Natarajan Chandrasekaran rearranged the spacious, well-lit chamber he was to occupy in it. He brought in a new leather sofa, a white board to scribble on, did up the shelves and hung on a wall two photographs of the snow-capped Himalayas he had himself taken.

Well known as a marathoner, Chandrasekaran is also an avid trekker and has hiked extensively in the Himalayas. The man loves heights. And he has taken TCS to new peaks. So much that India's largest software services exporter appears to be a company on steroids. Its hiring hasn't slowed despite economic ups and downs, and today it is one of the largest employers in the technology world. It has more employees than the population of several countries. By the end of December its staff strength will have overtaken the 288,725 strong population of Barbados. Its revenue has nearly doubled in the past four years to $12 billion. Its market value has climbed at the same pace, helping it consolidate its position at the top of *Business Today's* list of 500 most valuable companies in India and widen the gap with second-placed Reliance Industries.

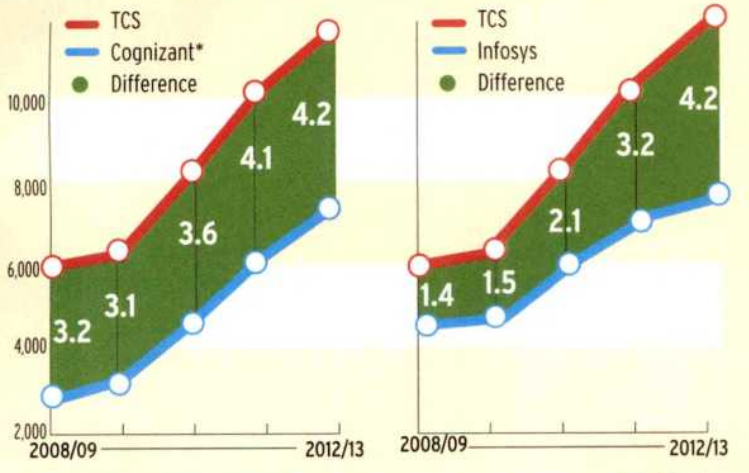
The surge in market value follows a series of spectacular financial performances over the past many quarters. Steadily, the company has widened its revenue gap with closest rivals Cognizant and Infosys. Profitability has improved, too. Its operating margin expanded to a record 30.2 per cent for the three months through September. Many of these performance metrics looked ordinary even half a decade back when the competition mockingly called the company 'Tata Civil Services'. "Their executives then reminded one of middle-aged and process-bound bureaucrats," says Rajeev Sawhney, an ex-head of HCL Technologies's European operations. "That view has quickly evaporated in the past few years. The company has become hungrier than ever before."

A lot of credit for this newfound hunger goes to Chandrasekaran, or Chandra as he is popularly called. "TCS was never the best in quality. They were always No. 2," says Al-Noor Ramji, a former chief information officer of British communications services giant BT Group, a long-time TCS client. "Their customer interface was not as polished as Infosys's. Now, they are getting better with more onshore hiring. Chandra has managed to take TCS into new areas faster. He is also very approachable... [and] has an easy-going personality."

Chandra's personal charm, say top TCS executives, is one reason why the company has

RAPID EXPANSION

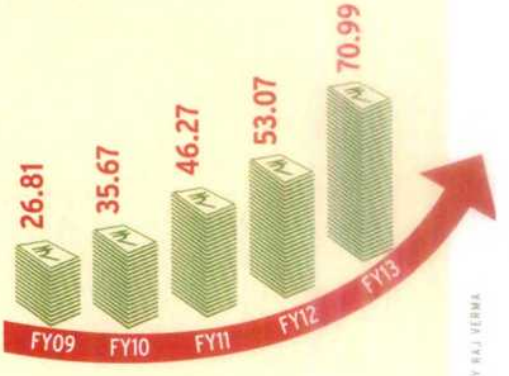
TCS has increased its revenue lead over its closest rivals



*Cognizant's fiscal year ends Dec 31

(Numbers in $ billion)

Its earnings per share have surged in the past few years



Source: BT Research

GRAPHICS BY RAJ VERMA

done a better job compared with its rivals in managing its huge army of employees that cuts across generations. Suresh Muthuswami, who heads the insurance and health-care business at TCS, says Chandra knows 5,000 to 10,000 employees by name and can strike up a conversation with anybody. Chandra has formed an emotional connect with employees that other leaders in the Indian IT industry struggle to build.

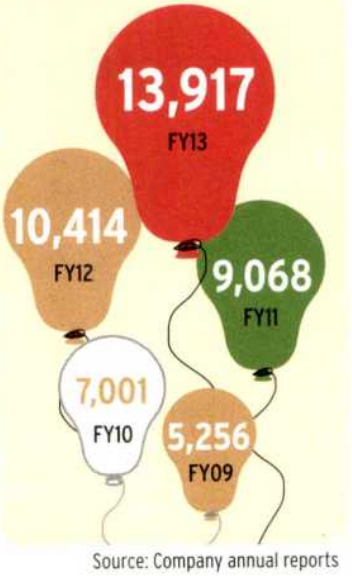
Taking a cue from Chandra, senior TCS executives are now working to make the younger generation comfortable – Gen Y today forms about 70 per cent of the workforce. "With more and more young people around, it is important for people like me to learn better how to operate like a young person than for a young person to learn to operate like us," says Chandra, 50.

Last year, he introduced a social networking platform for TCS employees called Knome – pronounced as Know Me – where, much like Facebook, they can post videos, updates and connect with each other.

BALLOONING PROFITS

TCS has posted a steady rise in consolidated net profits

(In ₹ crore)



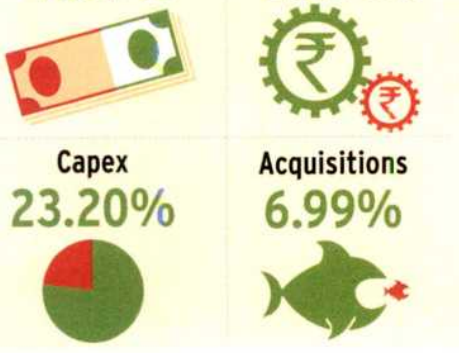
Source: Company annual reports

The company also allows employees to bring their own devices to work, despite concerns this can pose major data security risks. It has also developed several apps that employees can use. These include fitness app Fit4life and MyTCS, which can be used to make travel requests. These initiatives have increased employee engagement and are reflected in TCS's attrition rate, one of the lowest in the industry at 10.9 per cent. In contrast, the attrition rate at Infosys, excluding its subsidiaries, is 17 per cent.

Unlike Infosys, TCS has also been able to retain its senior executives, many of whom have been with the company since the 1990s. Some of them got bigger roles after Chandra restructured the company on taking over, but everybody stayed on. A cricket fan, Chandra often borrows terminology from the game to explain his point of view. He says it has been recognised that as a team the company performs better than as individuals. "If it's good for the team performance to open [the batting] one day and to go four down an-

GENEROUS PAYOUTS

TCS has spent a large part of its cash since 2005 in paying dividend



It declared special dividend in two of the last four years – 2009/10 and 2011/12

Dividend payout (in ₹ crore) Source: BT Research

other day, that has to be recognised, and as long as we can communicate it clearly, people see," he says. "We try to be valuable players instead of everyone aspiring to be captain. That's a culture we have been able to drive."

Nimble giant

Restructuring the company was Chandra's second game plan to grow business and make TCS future-ready. He organised the company by industry verticals to deal with clients. Though he is known as a person who pays attention to detail, he doesn't micromanage. He made the vertical heads responsible for achieving revenue and profit goals but gave them enough freedom, almost as much as entrepreneurs have, to operate their respective businesses. "I believe I have to drive the aspiration and the behaviour and I have to let them (vertical heads) drive the metrics," says Chandra.

The operational freedom inspired senior executives to press the accelerator. Many businesses expanded rapidly. Revenue at the retail business unit, for instance, surged to $1.5 billion in 2012/13 from $400 million five years earlier. A sharper focus on sales, following the new structure, has meant a steady stream of large accounts now. A few months ago, TCS won an estimated $150 million contract from Scandinavian Airlines and another from Nordic telecom operator Elisa – both new clients. In the Scandinavian Airlines deal, TCS outbid five competitors including the company's last IT vendor, Computer Sciences Corp. The decentralised model is allowing TCS to be big and nimble at the same time. The creation of business verticals has brought in more customer centricity, agility and accountability in the company, says Chandra.

THE COUNT IS ON

TCS has added many high value clients in the past four years

Source: Company annual reports

Customer centricity is a buzzword in TCS. While Infosys in earlier years placed great stress on investor delight and HCL Technologies says it puts employees first, TCS has placed customers at the centre of its existential ecosystem. Its focus on clients is reflected in a centre it set up in Santa Clara, US, in 2012 which customers visit

Lenovo® recommends Windows 8 Pro.

lenovo FOR THOSE WHO DO.

WHEN WATER SPILLS, DATA DOESN'T GO DOWN THE DRAIN.

THINKPAD OUTTHINKS ACCIDENTAL SPILLS

WITH ITS SPILL-RESISTANT KEYBOARD FEATURING A UNIQUE BATHTUB DESIGN.

The ThinkPad® keyboard has specially designed channels to divert and collect the water in a bathtub-like tray. That drains out the liquid through special outlets and keeps the critical components safe. So you can work without worrying about data loss.

Give your business the ThinkPad advantage
www.lenovo.com/in/en | 1800-3000-9990 | corpsales@lenovo.com

Work easy. Play hard. Windows 8

ThinkPad
20 YEARS OF LEADERSHIP THROUGH INNOVATION

Lenovo reserves the right to correct any errors, inaccuracies or omissions and to change or update information at any time, without prior notice. **Trademarks:** The following are trademarks or registered trademarks of Lenovo: Lenovo, the Lenovo logo, For Those Who Do and ThinkPad. Microsoft and Windows are registered trademarks of Microsoft Corporation. Other company, product and service names may be trademarks or service

Rajeev Sawhney / Former head of HCL Tech's Europe business

TCS executives once reminded one of middle-aged and process-bound bureaucrats. That view has quickly evaporated in the past few years

to understand the innovation TCS can bring in. The centre showcases the company's work in emerging technologies such as big data, analytics and mobility, and helps customers collaborate with other innovation players in Silicon Valley. Many executives wanted to name it the 'Innovation Centre', but Chandra prevailed and called it the Customer Collaboration Centre.

When customers are concerned, Chandra leads by example. In 2011, advisory company KPMG invited bids for a large IT outsourcing project, no less than $200 million. TCS was in the fray but was going nowhere. One Sunday afternoon, Pradeep Udhas, the head of markets at KPMG India, sent the TCS CEO a text message: "I don't know if TCS is serious about the project." Within minutes Chandra called back. In two day's time he was on a flight to New York where KPMG has an office. He worked on a plan during the flight and made a presentation that impressed everybody. While TCS didn't get the project, Chandra formed a relationship with KPMG's global chairman. Shortly after, KPMG and TCS started addressing customers together.

Betting on digital

TCS's new entrepreneurial approach to business is visible in the several bets it is making for the future. The company was early to spot technology changes that are transforming the way global corporations are buying IT services. Banks, insurers and retailers are increasingly looking at beefing up their mobile products, and they want to offer customers the flexibility to buy their goods and services over the phone. "It is a significant transformation of the enterprise," says Pratik Pal, who heads the retail, consumer goods, travel and hospitality vertical at TCS. "The spending will erupt in the next three to four years as brick-and-mortar retailers solidify their position against [online retail giant] Amazon." Pal, who joined the company in 1991 as a programmer and gradually worked his way up, says TCS has the innovation ecosystem that will ensure the company is ready for technological changes.

TCS started a data team in 2012, and later formed a digital unit to bring all new technologies under one umbrella. The head of the digital team and the man who is spearheading innovation at the company is Satya Ramaswamy. Previously a Silicon Valley entrepreneur, Ramaswamy joined TCS in 2010 after the IT giant acquired his start-up venture Brightfon, which was working on technology solutions for retailers. He is now busy assembling a team of people with bright ideas to build innovative intellectual property. "We are taking entrepreneurs from Silicon Valley and empowering them with global resources. Acquiring start-ups is one model. The other model is to look for entrepreneurs who want to create new products. They come on board as our employees," he says. Ramaswamy has hired a dozen people in Silicon Valley and five in India. "It is like running 17 start-ups," he adds.

The digital unit has thus far created products for different verticals and service lines and is working on developing applications for Google Glass, a computing device with an optical display being developed by search engine giant Google Inc. TCS is gaining traction in digital – although it does not give a breakup of revenue from the unit, the company's earnings press release for the July-to-September quarter listed 18 deal wins in digital services.

Clearly, TCS has identified digital as an important growth driver. The digital unit is working on products that will sharpen TCS's edge in new contracts. It will also take forward its non-linear agenda, which refers to growing sales without hiring more people. The Indian IT industry, thus far, has mostly followed a linear model of growth – it grew revenue by adding people; clients are typically billed on the cost of labour.

Panasonic

INTELLIGENT ECO SENSORS

ECONAVI

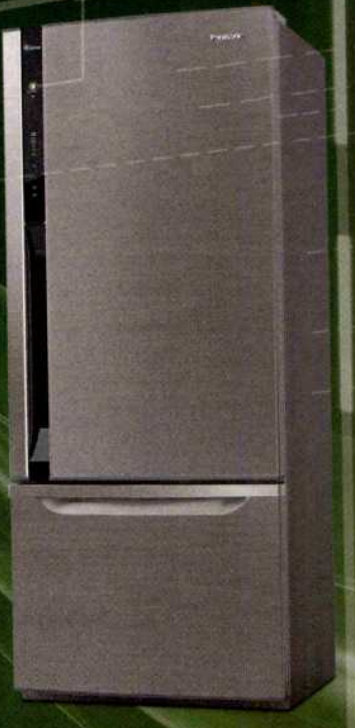
SENSES | SELF-ADJUSTS | SAVES

Up to 38%* ENERGY SAVINGS ECONAVI

Senses presence.
Senses absence.
Senses activity.
Senses sunlight.
Senses temp. wave.

Lighting sensor.
Room temp. sensor.
Internal temp. sensor.
Door sensor.

Up to 10%* ENERGY SAVINGS ECONAVI



Laundry load sensor.
Water temperature sensor.

Up to 20%* WATER & ENERGY SAVINGS ECONAVI

Sense the possibility with ECONAVI.

Panasonic products are upgraded with Intelligent ECONAVI sensors that give unmatched performance with less energy consumption to save the environment. ECONAVI technology which is at the core of Panasonic products makes your daily routines more comfortable and eco-friendly than ever, giving you both energy savings and exceptional performance every time.

Air Conditioner-Conditions apply. < Energy saving effect for cooling by ECONAVI dual sensor + sunlight sensor + Temp Wave: 38%.> Comparison of 1.5HP Inverter model between with ECONAVI (Dual Human Activity Sensor, Sunlight Sensor, and Temperature Wave) ON and ECONAVI OFF ECONAVI ON: Outside temperature: 35°C/24°C Remote setting temperature: 23°C with Fan Speed (High)/Vertical Airflow direction: Auto, Horizontal Airflow direction: ECONAVI Mode Setting temperature goes up 2°C in total, 1°C controlled by ECONAVI activity level detection and another 1°C controlled by ECONAVI light intensity detection. Temperature Wave is ON, electric heater (300W, simulating the heat of human and TV etc) ECONAVI OFF: Outside temperature: 35°C/24°C Remote setting temperature: 23°C with Fan Speed (High)/Vertical Airflow direction: Auto, Horizontal Airflow direction: Front Total power consumption amount are measured for 2 hours in stable condition. At Panasonic Amenity Room (size:16.6M2) This is the maximum energy saving value, and the effect differs according to conditions in installation and usage. **Refrigerator**-Conditions apply. Models shown may not be true representation of the actual. *Compared to Non-Inverter model NR-B401M. *1<Test conditions> Ambient temperature: 32°C, when the temperature setting of the refrigerator is "MED" Door opening/closing frequency: Refrigerator compartment 35 times, freezer 7 times. Insert load: Freezer compartment 625g Test package, refrigerator compartment 2.5L Water. *If there is a power outage, Econavi functions may not operate normally *2 Comparison with the new model (NR-BY602X) and the previous model (NR-B401M). Features may vary from model to model. **Washing Machine**-Conditions apply. Models may not be true representation of the actual. Feature may vary from model to model. ECONAVI available in 14Kg. *About "ECONAVI" effect <Testing Conditions> "Normal course" program. Comparison made with ECONAVI operation (clothes amount 4kg/water temperature more than 35°C) against the operation without ECONAVI (clothes amount 14Kg/water temperature less than 25°C) test was conducted based on IEC60456 other than water temperature.

CORPORATE OFFICE: Panasonic India Pvt. Ltd, Consumer Sales Division, No. 88, 6th Floor, SPIC Building, Annex, Guindy, Mount Road, Chennai - 600032, Ph: +91-44-61089300. MARKETING OFFICE: First Floor, AEW Tower, IFFCO Chowk, MG Road, Sec.25, Gurgaon - 122001 Ph.: +91-124-6770400. For Corporate / Institutional Enquiries please write at b2bindia@in.panasonic.com. Also available through CSD/INCS/CPC. For more details, contact your nearest Authorised Panasonic Dealer.

LOCATE YOUR NEAREST PANASONIC DEALER
SMS PanaHA <LOCALITY> to 53636 OR
PanaHA <PINCODE> to 53636

www.facebook.com/panasonicindia
www.twitter.com/panasonicindia

Service Helpline: 1800 108 1333,
1800 103 1333,1860 425 1860.

www.panasonic.co.in
helpline@in.panasonic.com

INSIST ON A PANASONIC INDIA WARRANTY CARD

Non-linear revenue can be generated by using more intellectual property-based solutions. Currently, non-linear initiatives make up 10 per cent of TCS's new revenue. Chandra says he would like to see non-linear revenue contribute significantly more three years from now. "It is the future business model," he says.

The technology giant is also placing long-term bets on emerging markets – India, Asia Pacific, West Asia and Africa make up about 18 per cent of the company's revenue but these markets may become more important in the future. The company has taken a cue from Europe and the UK – while TCS was marketing its services in the region at least since the late 1970s, the market took off only around 2006/07 and now generates 27 per cent of its revenue.

TCS has started promoting services other than application development and maintenance – the IT industry's bread-and-butter – which generates up to 43 per cent of its revenue. Historically, the Indian IT industry has grown by custom-developing and then maintaining all kinds of applications, from banking to retail, for customers. The company talks of offering a comprehensive range of products and services that will make it a one-stop shop for clients. An important piece in its strategy for the future is the business process outsourcing (BPO) unit. TCS recently opened a BPO centre in Saudi Arabia staffed entirely with women, a bold move in a deeply conservative country that also provides a good branding opportunity. "The idea is to look at local talent," says Ravi Viswanathan, President of New Growth Markets, who joined the company in 1990.

TCS has added analytics services to its BPO unit and wants to pioneer robotic automation in back offices

The non-voice BPO work that TCS does is becoming increasingly important in the context of high-value transformational deals the company wants to pursue. For instance, TCS is setting up digital back offices for some US retailers where it manages their catalogues and orders on the web. When Western clients want to expand in emerging markets and launch new products, they would require BPO support as well. To step up growth, TCS has added analytics services to its BPO portfolio and wants to pioneer the field of robotic automation in back offices.

Abid Ali Neemuchwala, Vice President and Head of Business Process Services at TCS, says that depending on the project the company would be able to reduce the number of people required for a BPO process by half in the future. "Our customers see us as the most innovative BPO unit because, unlike pure-play BPOs whose revenue is based on the number of people deployed at a customer, we have differentiated by saying we will automate as much as possible," says Neemuchwala, who has been with TCS since 1992.

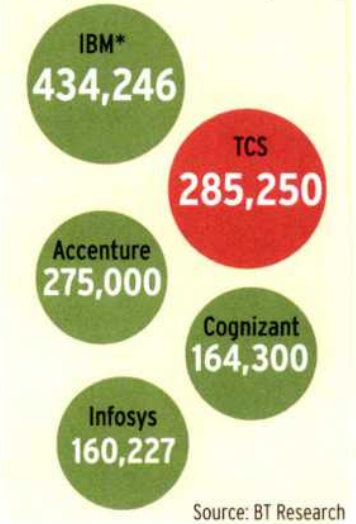
While the strategies TCS has put in place will see it through for at least another three years, the company still faces long-term challenges. Hiring truckloads of people may not be sustainable and TCS has to work on forging relationships beyond the chief information officers. While CIOs traditionally gave out IT contracts, there is a subtle shift in the power centres of global organisations. Many digital projects, for instance, are awarded by the chief marketing officers and not the CIOs. And to be viewed as a global company, TCS needs to hire more international workforce. The company had 21,282 foreign employees as of March, less than a tenth of its total workforce.

"The big challenge will be to become truly global in the next five to 10 years in terms of geographical presence and the scale of operations," says KPMG's Udhas. "Chandra believes it is the way to go. He is trying to move the company to a non-linear model. But this is not easy because the stock market is measuring him all the time."

Captain Chandra, however, is in fine touch as of now and is batting solidly at the crease. ◆

WORKPLACE NO. 2

TCS is one of the largest employers in the IT sector globally

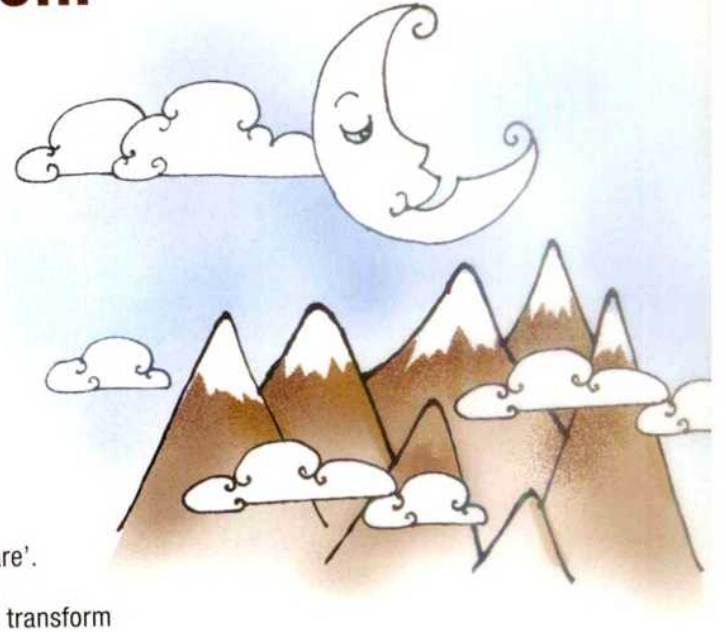


Source: BT Research

*IBM's headcount as of Dec 31, 2012

The last pit stop on your way to the moon.

Our Fuel Station at Leh.



About 125 km up west of Leh, high in the Himalayas, lies the breathtaking Moonland of Lamayuru. Complete with yellow sand, majestic granite hills and craters. And our IndianOil fuel station at Leh, the highest in the world, has always been a welcome sight for many a tourist taking that route. Meeting their fuel needs and more.

For a company with over 39,000 sales points, including 23,000 fuel stations, spread across the length and breadth of the country, operating a station on the icy terrain of Leh is just another way of saying, 'We care'.

For over five decades, we have endeavoured to touch and transform the lives of a billion Indians. Even in the remotest parts of India. In every possible way. Through our products and services, that bring energy to their lives and smiles to their faces.

इंडियनऑयल

IndianOil

The Energy Of India

IndianOil. In every part. In every heart.

Petroleum Refining and Marketing | Pipeline Transportation | Research & Development | Technology Solutions | Petrochemicals | Gas Sourcing & Marketing | Exploration & Production | Alternative Energy

"The whole organisation is pumped up and I have to keep that going"

NISHIKANT GAMRE

TATA CONSULTANCY *Services CEO Natarajan Chandrasekaran thinks deeply about the company's huge army of employees and how best to manage them. He has to deal with Gen Y on the one hand and a stable cadre of senior executives on the other, many of whom have been with the company since the 1990s. In an interview with* **CHAITANYA KALBAG AND GOUTAM DAS**, *Chandrasekaran talks about the changing nature of his business, leadership, and people plans. Edited excerpts:*

By the end of March 2014, TCS will have about 300,000 employees. There is a whole cultural change that has occurred with 70 per cent of your staff very young... Is that a major factor in making TCS far more agile as it becomes more and more populated?

If you really look at scale and size, when you use the word scale you always kind of start to think that it's a positive thing and we can leverage it. When you say large, size, etc then you start thinking it's complex. First, it's important to think that we have scale and it's a great thing to be able to leverage that. The collection of such large number of professionals, with very high intellect is a unique thing. So I look at it in that context. If in order to leverage, in order to keep that as a significant advantage if we have to go through a lot of management challenges, complexities, so be it.

The second thing to realise is that from our point of view we believe the core strength of the company is people. And people with high intellect and who can be relevant individually. Each one of them can be relevant in the context of the problems that we're trying to help solve for our customers. So, my realisation is that if we can somehow help everyone perform, excel, what we can achieve is a lot more than what we can even think. Inherently people have huge potential. That's true for any one of us.

We coined this term called 'realise your potential'. We can visualise ourselves to be a platform for people to kind of aspire and perform and excel. Not necessarily one with respect to work alone but in a well-rounded fashion. If one dimension rubs with the other dimension then we would create a culture of excellence, high performance, collaboration, because we say that let's aspire not only to realise our potential, let's contribute to someone else's potential. That's the whole idea. And you're on a journey and obviously this is on the 10,000-feet level. When you come down to the ground level, people are not

KONICA MINOLTA

Giving Shape to Ideas

Enhance Security

HDD encryption, Biometric authentication, Encrypted PDF & Secure printing are few of the security enhancements on our MFP's.

Control Costs

User wise & group wise print/copy quota setting, restriction of colour & b/w usage by users/group. ID & print features with auto job deletion, reduces unwanted prints.

Increase productivity

A large intuitive & customized touch panel , walkup access for print/scan through USB flash, mobile printing/ scanning support from IOS & android devices. Flexible file formats support for print & scan.

Ensure Sustainability

Copy & print preview features to ensure minimum waste, enforce duplex printing by default setting on print driver, use of polymerized toner enables reduced energy consumption, fusing at lower temperature ensures reduced emissions.

KONICA MINOLTA OPTIMISED PRINT SERVICES ™

Efficiently run business and control costs, without compromising on service and quality. Our MFP's help you stay on course with business objectives, as we take care of the rest. State of the art printing solutions deliver all the business imperatives, including responsibility towards planet and the future.

For more information **SMS "KM OFFICE" send to 52424**
or Call: **1800 266 2525.**

Simitri with Biomass

Mac

bizhub C554e/C454e/C364e/284e/C224e

Konica Minolta Business Solutions India Pvt. Ltd.
10th Floor, Building No.8, Tower C, DLF Cyber City, Phase II Gurgaon, Haryana - 122002, India.
Board No. +91-124 6652000. URL: www.konicaminolta.in, marcom@bin.konicaminolta.in
Konica Minolta Inc., Tokyo, Japan.
For enquiry: North region: **Mr.Praveen Dimri - 8130022530,** West region: **Mr. Priyangshu Das- 7738150072,**
South region: **Mr. Ajit Simon D'mello - 9900043708.**

the same. You have a normal distribution.

You have competition and rivalry also...

Yes. Also, we have a TCS culture which binds all of us together. We have different nationalities. And we have diversity of every kind. The most important among them is what you said about a lot of Gen Y, Gen X and other generations. We have to bring it all together. And with more and more young population coming, it is more important for people like me and my colleagues, who are senior people, to learn much more to operate like a young person than for the young person to operate like us. And that takes a lot of efforts for us to realise.

Today we are a company with a much stronger financial strength, much stronger capabilities, our ability to invest today is much, much more, compared to 10 years ago

Can you talk about the TCS strategy before you came in and what happened thereafter because now we see TCS scaling at a different level?

I don't want to get into what was before 2009. I was very much a part of the team. You do different things at different points of time. What we do today is very much dependent upon the strength that we have today. In terms of when you say scale it is not just the people alone. Today we are a company with a much stronger financial strength, much stronger capabilities, our ability to invest today is much, compared to 10 years ago. We have a range of capability to serve all stakeholders in an organisation. We can address the CFO's problems, sometimes the CEO's problems, the COO's problems. So, all these capabilities have come in because of the investments we have done, because of the scale, because of the ability to invest.

So, many things have changed. Today what I do is in the context of where we are today. You take the customers and 10 years ago I would have worked for a customer, but I would not have been the customer's strategic partner. But today there are many top companies where TCS is a strategic partner, which means they depend on us.

If you ask me what has been done in terms of the last four years, we have driven a lot more domain centricity, we have organised the company in terms of industry units, we have driven huge capability build up in terms of solutions, thought leadership, more knowledge over the client, and how do we bring the collective intellectual, technological prowess and process knowledge of the company in the context of the customer. We have driven the employee. You call it empowerment, the whole theme about realising your potential.

We have taken three or four themes and we have driven that as initiatives. And the organisation has been structured to, aligned to drive this. We have many units that are completely independent. And that was not needed before – now it is because the scale is different. It is like an independent business. We have empowered them, given them the tool. We have created the collective power as a platform, but we have given the individual units the empowerment.

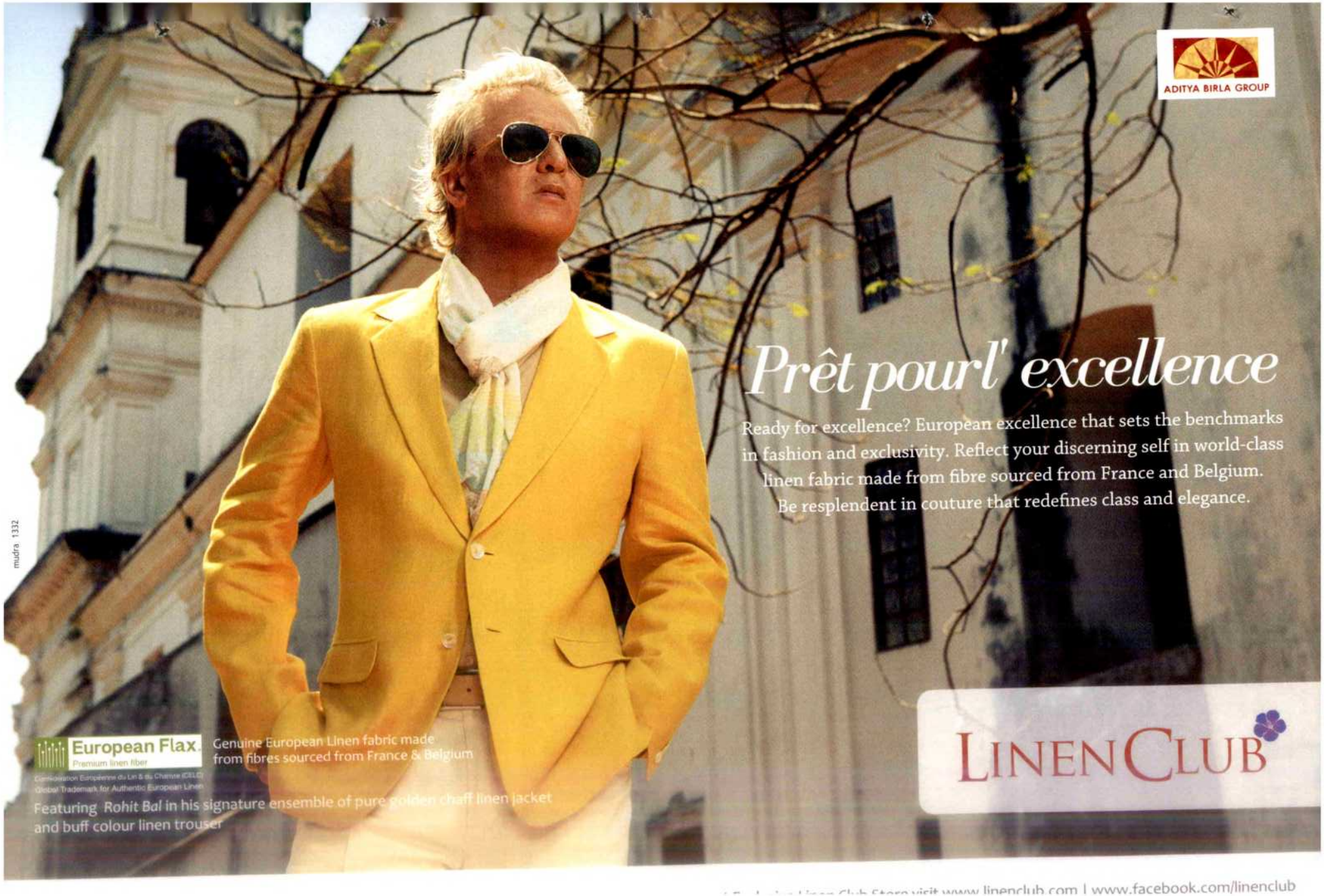
It's like a collective of entrepreneurs?

You can look at it like that. How can you be small and nimble and yet be huge?

As a CEO, one thing that comes across is your incredible attention to individuals and individual projects. How do you combine that sort of, almost obsessive, attention to detail with the ability to stand back and say at this stage in our evolution we need to take some certain steps as an organisation that will keep us agile?

I think the point is that each one wants a segment, a set of customers and they have a pride in doing what they do. I believe I have to drive the aspiration and the behaviour and I have got

For TCS CEO N. Chandrasekaran's full interview, go to www.businesstoday.in/2013bt500-chandrasekaran


ADITYA BIRLA GROUP
Prêt pourl' excellence
Ready for excellence? European excellence that sets the benchmarks in fashion and exclusivity. Reflect your discerning self in world-class linen fabric made from fibre sourced from France and Belgium. Be resplendent in couture that redefines class and elegance.
European Flax
Premium linen fiber
Confederation Européenne du Lin & du Chanvre (CELC)
Global Trademark for Authentic European Linen
Genuine European Linen fabric made from fibres sourced from France & Belgium
Featuring Rohit Bal in his signature ensemble of pure golden chaff linen jacket and buff colour linen trouser
LINEN CLUB

mudra 1332

to let them drive the metrics. So, I kind of started another slogan called "Aspiration is free. Let's aspire." And then let's figure out how to.

When we talk to CEOs about the need for Indian companies to be globally prestigious, TCS is probably the only major Indian company that has become so successful globally. What do you think we need to do as a country to get more of that sort of traction globally? What do you think is missing – is it aggression, ambition, execution?

There are many solid companies in India and they'll all become global companies. It's just a question of time. Everyone has their strategy and as per their strategy I am sure different compa-

There will be regulatory challenges like the immigration bills in different parts of the world... and that may call for changes in the way we operate business models

nies are working out when they want to go where, which market etc. We have very solid companies. So, I wouldn't say that something is lacking. First of all, it is a choice that individual companies make and second is once they make, it takes time. It's not an overnight thing.

What will TCS look like in the future, say five years from now?

We want to be a company of choice for all our customers. We want to be the best performing company. We want people to have fun; we want people to belong to this company. We want customers to feel we're a different company to work with and all our operating metrics should be excellent. So, we want to be excelling. That's about it. I don't want to put a number. I have some numbers in mind, but I can't tell you that.

We were talking more from the bets perspective. The bets on digital, for instance. Will it see the company through for the next three years at least?

Definitely. Next three years, definitely and maybe more. But what is digital will get redefined. What is digital today is different from what was digital two years ago. I would like our non-linear revenue to contribute significantly to our incremental growth three years from now. It is about 10 per cent now. We would want it to be much higher.

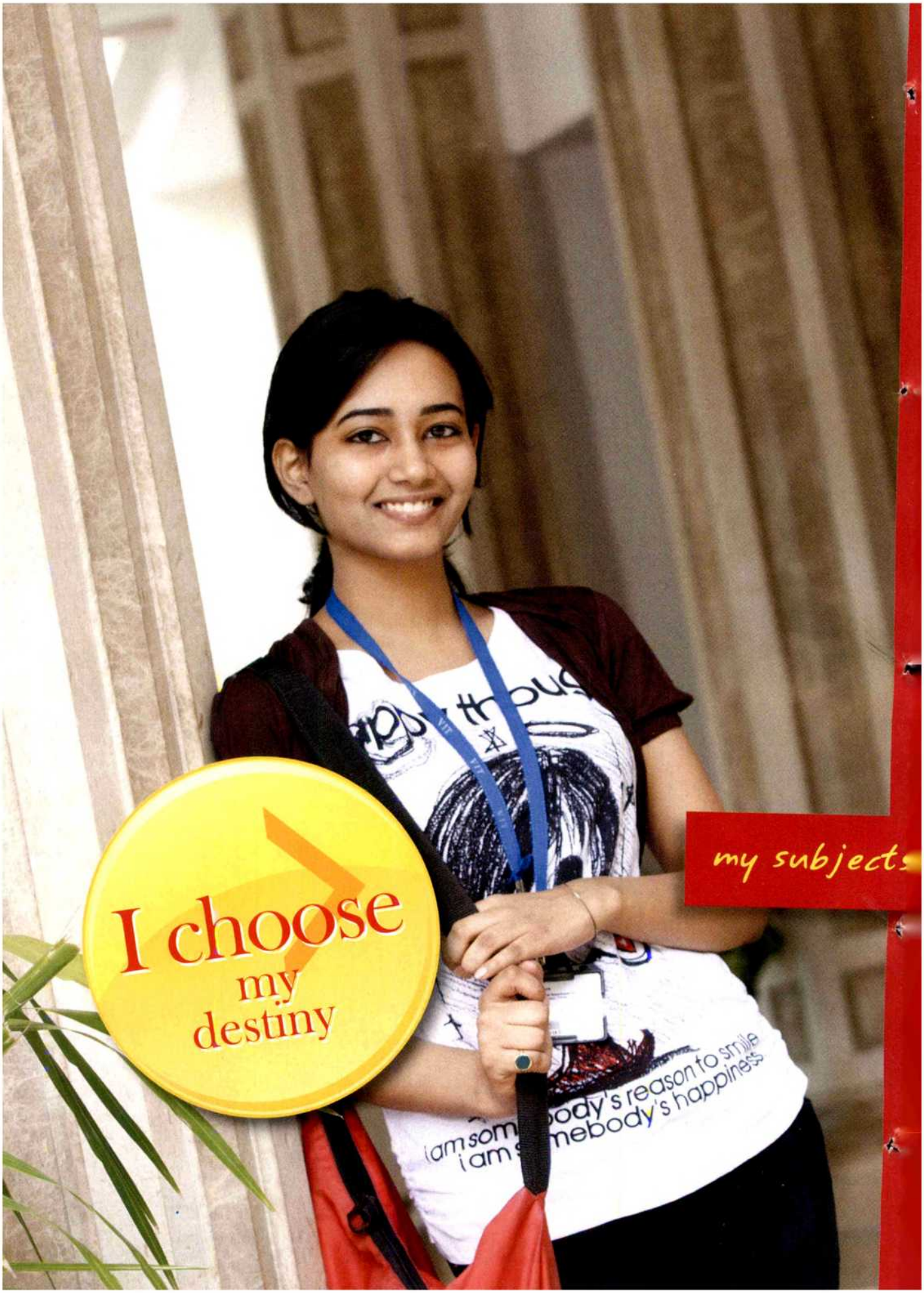
Is it because you're worried about managing scale? Or is it because non-linear is now getting you an entry into clients?

No, it's another opportunity. It is the future business model. The technology will change, business models will change. Customers will want different things and we have to scale in each of those dimensions. What we did to produce a billion dollars and what we do to produce $12 billion are two different things. And we may not have articulated it. Today, what TCS does is very different from what it did 10 years ago. And what we will do in 2018-2020 will definitely be different from today. But if you ask me to clearly articulate it I can only conceptually say future business models. A lot of IP-led [intellectual property]. And solutions will be there.

Tell us what worries you most.

You have to manage the scale. We've made a huge progress in terms of realising potential. But if a company has to realise its full potential, we've got to get that going. And the whole organisation is very pumped up and I have to keep that going. Second, there will be regulatory challenges like the immigration bills in different parts of the world as unemployment in different markets goes up and that may call for changes in the way we operate business models. I don't know what the different changes will be but we got to think it through and pull it off. Third, we have a huge opportunity to be able to create a sizable portion of our incremental growth coming from intellectual property based, non-linear, whatever you want to call it. And we got to execute on that. We have got lots of ideas, we have made some bets. The coin has to drop. ◆

This festive season,
make sure your walls leave
a lasting Impression.
The Impressions range from Nerolac gives an elegant &
luxurious finish while its zero VOC* content ensures freedom
from smell & from health hazards.
NEROLAC
HEALTHY HOME PAINTS
IMPRESSIONS
Brighten up your home with beautiful
walls and a stunning decor with Nerolac's
Welcome Home Happiness DVD.
JUST SMS HOME TO 56070
TO GET YOUR FREE COPY.
NEROLAC
IMPRESSIONS
ECO CLEAN
NEROLAC
IMPRESSIONS
24 CARAT


I choose
my
destiny
my subjects

India's first university to offer Fully Flexible Credit System

FFCS™

- Opportunity to graduate with a double major
- Choice of major and minor programmes
- Degree with honours
- Choice of subjects for each semester
- Choice of time slots for each course
- Choice of number of subjects per semester
- Balanced curriculum, with subjects in Engineering, Science, Management and Humanities for all-round development
- Option to add / drop / withdraw subjects in each semester
- Opportunity for undergraduate research experience
- Opportunity for project-based learning
- Option to register for courses online
- Option to register for summer-term courses

As part of VIT's constant endeavour to provide the best education, we introduced India's first Fully Flexible Credit System (FFCS)™ four years ago – an innovation that gave the power of choice to students. With FFCS™, students can choose the right combination of subjects according to their interests and academic ability – a major in any of the engineering programmes and a second major in management. Students can also choose a major in one engineering programme and a minor in another engineering programme. By giving students the freedom to be the master of their own destinies, we have successfully helped them excel in their chosen field of study.

my timings > my professor > my degree > my career

VIT®
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)
VELLORE ■ CHENNAI
www.vit.ac.in

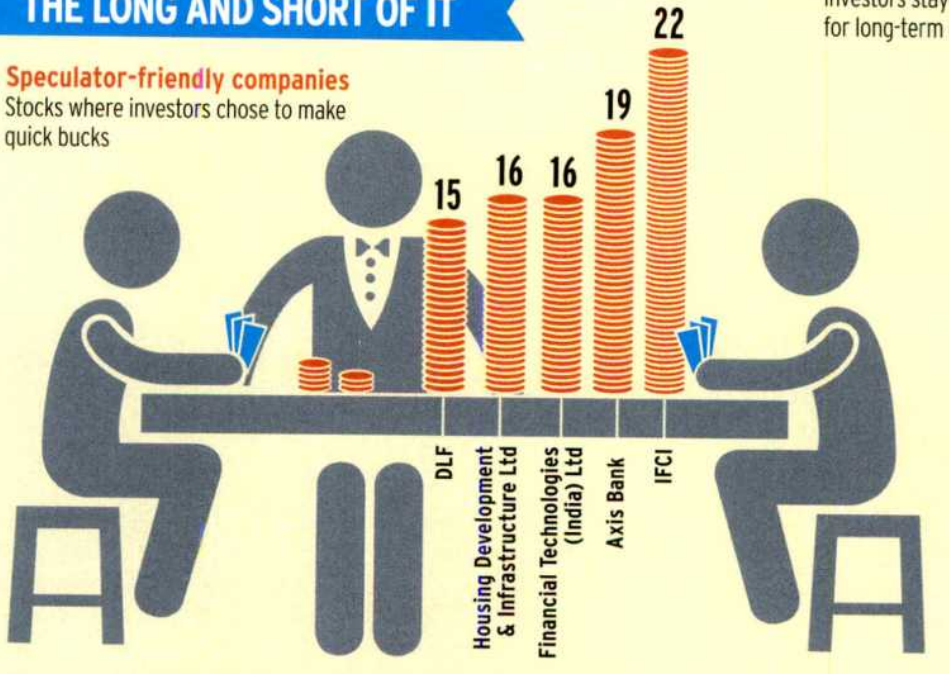
UP TO DATA

Vignettes from an analysis of the *BT* 500 companies

Graphics by **Santosh Kushwaha**
Research by **Jyotindra Dubey** & **Niti Kiran**

THE LONG AND SHORT OF IT

Speculator-friendly companies
Stocks where investors chose to make quick bucks



Figures show percentage of total traded shares that were taken delivery of. The rest were squared off on the day of purchase itself

Investor-friendly companies
Stocks where investors stayed put for long-term gains

- 87 — Future Ventures India Ltd
- 79 — 3M India Ltd
- 76 — Hawkins Cookers Ltd
- 71 — Akzo Nobel India Ltd
- 70 — CRISIL Ltd

SECTOR CHAMPIONS

The top five companies in different sectors by market cap

Banking

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	6	HDFC Bank	1,55,647
2	8	State Bank Of India	1,31,643
3	13	ICICI Bank	1,18,306
4	20	Axis Bank	57,810
5	24	Kotak Mahindra Bank	53,451

Software

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	1	TCS	3,20,828
2	7	Infosys	1,53,635
3	15	Wipro	97,411
4	19	HCL Technologies	59,033
5	54	Oracle Financial*	23,146

*Oracle Financial Services Software Ltd

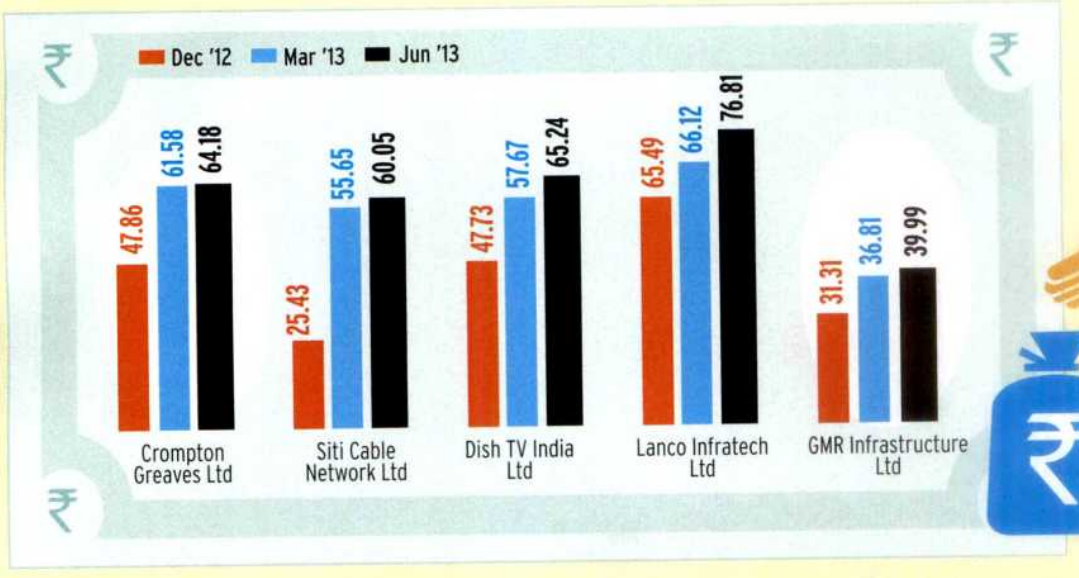
Auto & Ancillaries

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	17	Tata Motors	81,014
2	22	Mahindra & Mahindra	55,145
3	23	Bajaj Auto	53,521
4	31	Maruti Suzuki India	44,597
5	37	Hero MotoCorp	34,852

All figures in ₹ crore

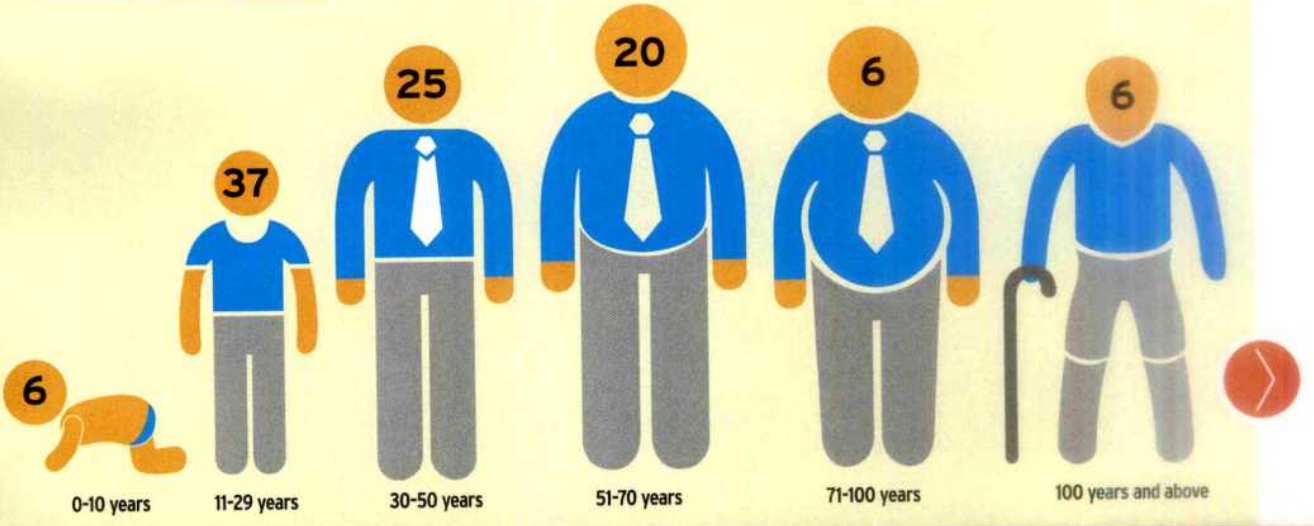
PLEDGING THE FUTURE

Some companies where promoters have pledged more of their shares



AGE MATTERS

Not many companies are able to retain a place in the top 100 as they age. The distribution, by age, of *BT* 500 companies in the top 100



Pharma

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	14	Sun Pharma	1,05,435
2	35	Dr. Reddy's Laboratories	36,576
3	36	Lupin	35,125
4	40	Cipla	32,393
5	67	GlaxoSmithKline Pharma	20,014

Telecom

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	11	Bharti Airtel	1,21,368
2	29	Idea Cellular	47,201
3	42	Bharti Infratel	30,033
4	52	Reliance Communications	24,475
5	163	Tata Communications	5,410

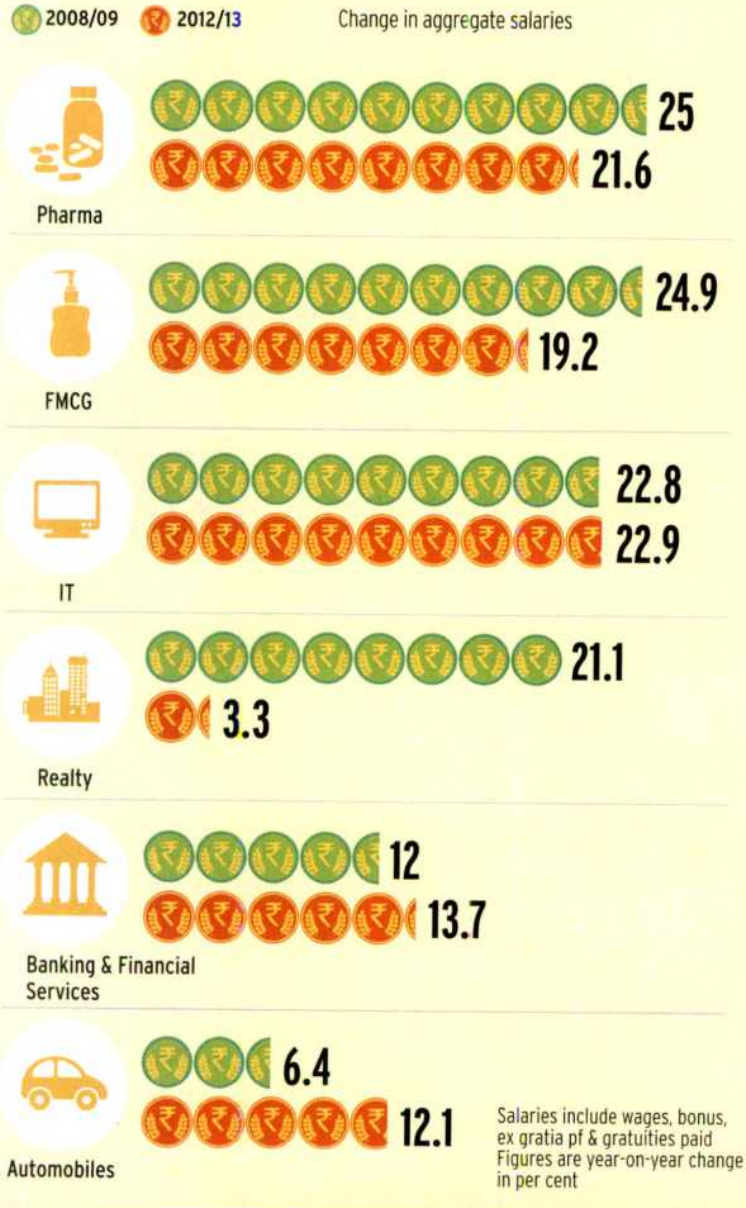
Metals & Mining

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	5	Coal India	1,86,298
2	28	Hindustan Zinc	48,124
3	30	NMDC	45,970
4	48	Tata Steel	27,229
5	53	Jindal Steel & Power	24,197

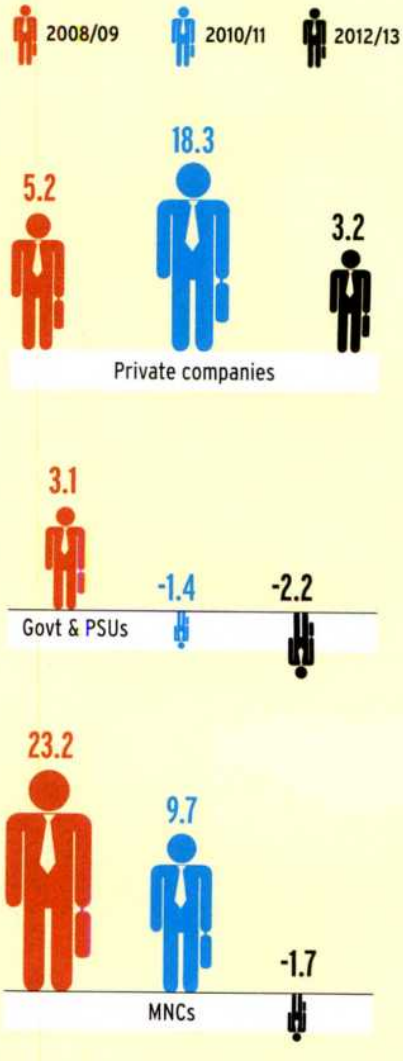
Source: CMIE Prowess

BAD TIMES, WORSE TIMES

The current slowdown has hit salary hikes and employment growth more than in 2008/09



Salaries include wages, bonus, ex gratia pf & gratuities paid
Figures are year-on-year change in per cent



Figures are year-on-year change in per cent

SECTOR CHAMPIONS

Real Estate

Sectoral Rank	BT 500 Rank	Company	Mcap Apr-Sep 2013
1	39	DLF	32,617
2	139	Oberoi Realty	6,863
3	161	Unitech	5,647
4	170	Prestige Estates	5,176
5	192	Godrej Properties	4,187

Infrastructure & Construction

Sectoral Rank	BT 500 Rank	Company	Mcap Apr-Sep 2013
1	16	Larsen & Toubro	83,426
2	97	Jaiprakash Associates	12,107
3	113	Reliance Infrastructure	9,634
4	135	GMR Infrastructure	7,236
5	169	Engineers India	5,209

FMCG

Sectoral Rank	BT 500 Rank	Company	Mcap Apr-Sep 2013
1	3	ITC	2,61,462
2	9	Hindustan Unilever	1,27,582
3	27	Nestle India	48,505
4	38	United Spirits	33,260
5	44	Godrej Consumer Products	28,317

All figures in ₹crore

ADITYA BIRLA GROUP

CELEBRATING 25 GLORIOUS YEARS

It carries
your memories.

Flaunts your successes.

Holds the things
you hold dear.

CARING FOR A LOT MORE THAN JUST YOUR WALLS. FOR 25 YEARS.

Homes are filled with stories showcased on a backdrop – your walls. For over 25 years, we have devoted ourselves to beautifying those very walls and with them, your stories. With our range of products, we have been part of your artistic embellishments, added gloss to your home and, at times, even formed a pristine white canvas. Most of all, we have cared for the paint on your walls to keep your stories beautiful and ever-lasting. And we're dedicated to keeping your home just as beautiful for years to come.

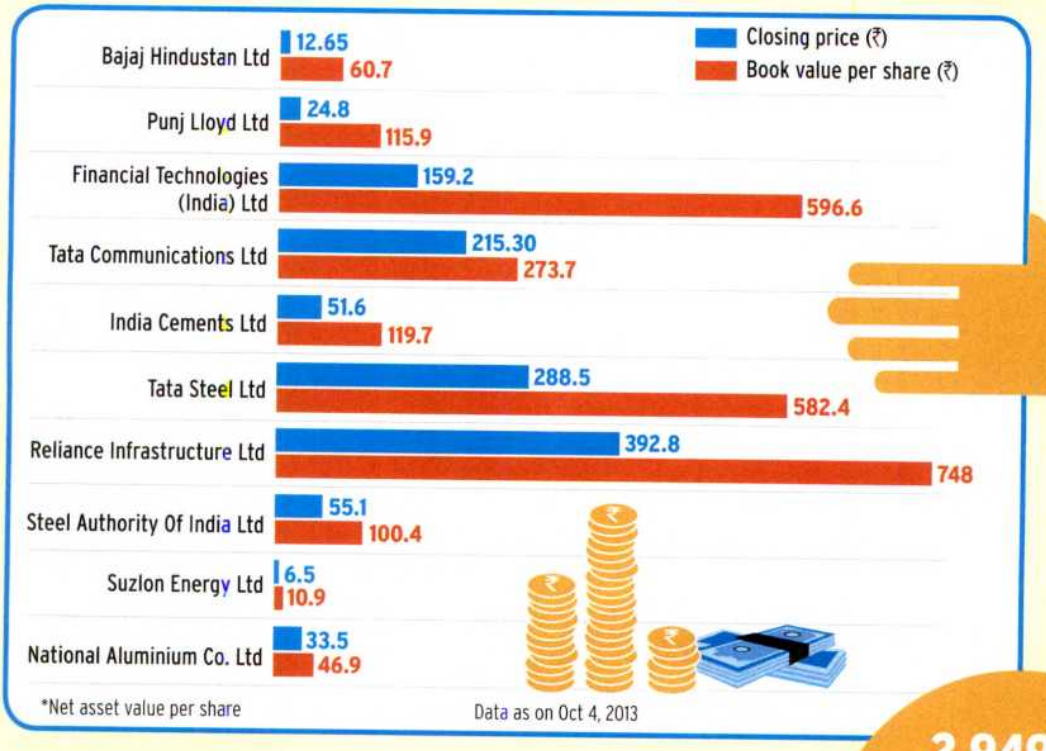
Birla White®
THE WHITEST WHITE CEMENT
My kind of design

WALLCARE PUTTY | LEVELPLAST | TEXTURA | GRC

Birla White (Unit of UltraTech Cement Limited): Ground Floor, Ahura Centre, 82, Mahakali Caves Road, Near M.I.D.C. Office, Andheri (E), Mumbai - 400093, India.
Visit us at: www.birlawhite.com Toll Free No: 1800 11 1717

UNDERPERFORMERS

Around 27 per cent of companies on the *BT* 500 list were undervalued, in that they were trading at a discount to their book value*. Examples



Some companies whose market cap has fallen lower than their cash reserves

Cash and bank balance ● Market capitalisation

Figures in ₹ crore

Standalone results for March 2013, Financial companies not included

SECTOR CHAMPIONS

Oil & Gas

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	2	Reliance Industries	2,69,186
2	4	Oil & Natural Gas Corp.	2,58,668
3	18	Indian Oil Corp.	60,519
4	21	Cairn India	57,353
5	34	GAIL (India)	40,249

Financial Services

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	10	HDFC	1,26,850
2	66	Power Finance Corp.	20,323
3	70	Rural Electrification Corp.	19,862
4	73	IDFC	19,282
4	79	Shriram Transport Finance	15,312

Power

Sectoral Rank	*BT* 500 Rank	Company	Mcap Apr-Sep 2013
1	12	NTPC	1,19,183
2	26	Power Grid Corp of India	48,945
3	53	Jindal Steel & Power	24,197
4	55	NHPC	23,116
5	65	Tata Power Co.	20,398

All figures in ₹crore

SYMBIOSIS INSTITUTE OF INTERNATIONAL BUSINESS [SIIB]

(A Constituent of Symbiosis International University)

G. No. 174/1, Hinjewadi, Taluka - Mulshi, Dist. Pune – 411 057, Maharashtra, India.
Tel.: 020 - 22934314/17/18/19 | Fax: 020 - 22934316 | E-mail: admissions@siib.ac.in | www.siib.ac.in

BE THE CATALYST FOR GLOBAL CHANGE

International Business | Agri Business | Energy & Environment

SIIB's FOCUSED SPECIALISATIONS POWER YOU TO BE ONE

The need of the hour is innovative ideas driven by strong leadership to meet rising global demands and challenges in business. Symbiosis Institute of International Business (SIIB) offers niche specialisations, excellent academic foundation and a firm leadership perspective to ensure sustainable solutions and cutting-edge careers.

MBA - International Business

Finance | Marketing | Supply Chain Management | Human Resource Management

A unique programme that blends theories and practices in business, specially designed to nurture managers for the ever increasing demands in domestic as well as international markets.

MBA - Agri Business

A specialised programme designed for exposure to the relevant and applicable fields of Agriculture and WTO, Agro Export Management, Agricultural Finance, etc.

MBA - Energy & Environment

An unconventional programme which equips aspiring managers with managerial, economic, legal and relevant technical competence for growth and development.

For SNAP Registration & Programme (SIIB) Registration-
Visit: www.snaptest.org
Last date for SNAP: 22nd November, 2013
Last date for SIIB: 14th December, 2013

Dr. Pranav Mukherji, Director

SYMBIOSIS INTERNATIONAL UNIVERSITY

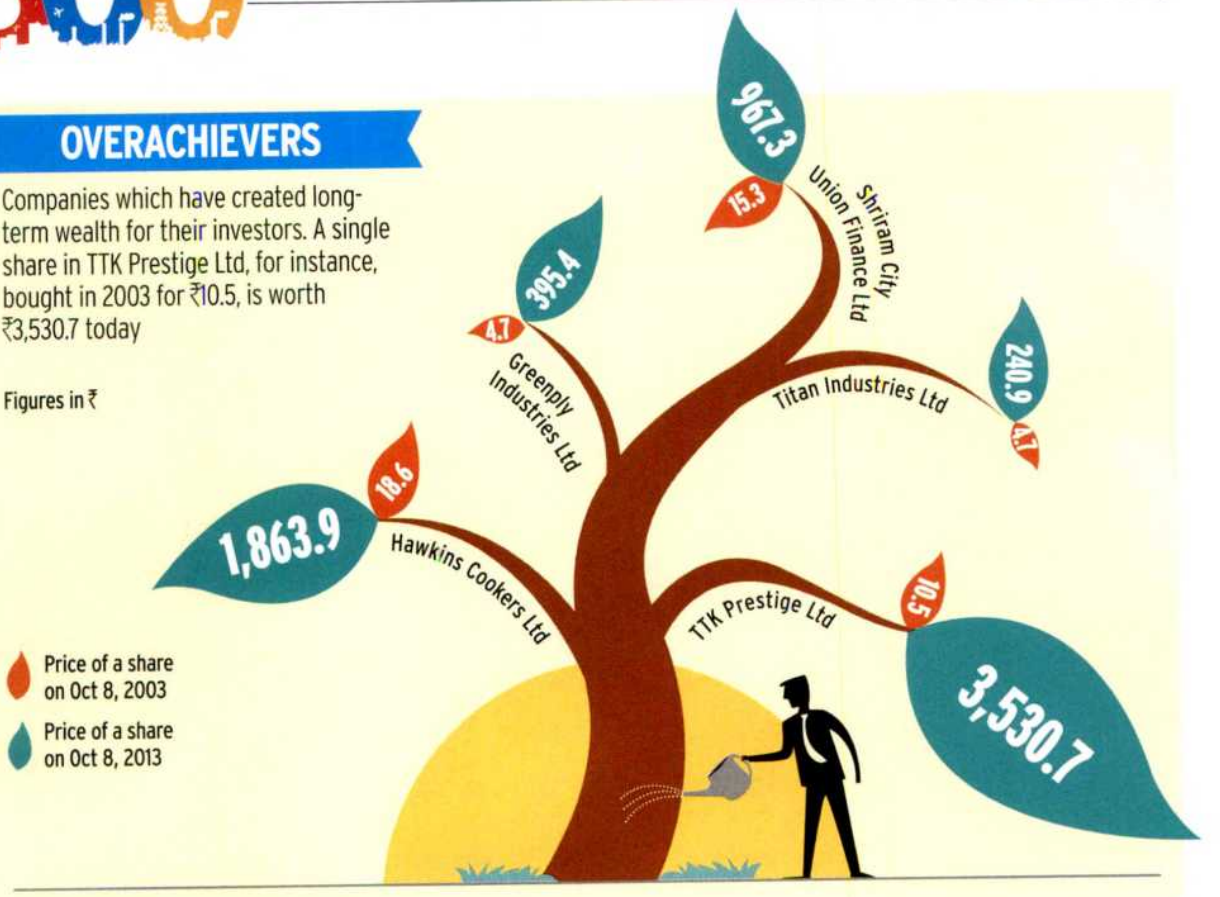
(Established under Section 3 of UGC Act 1956 vide notification No. F.9.-12/2001 - U3 of the Government of India)
Accredited by **NAAC** with **'A' Grade**

No capitation/donation is charged for admission to any programme at any institute of Symbiosis.

OVERACHIEVERS

Companies which have created long-term wealth for their investors. A single share in TTK Prestige Ltd, for instance, bought in 2003 for ₹10.5, is worth ₹3,530.7 today

Figures in ₹



UPHILL, DOWNHILL

The five companies which have risen the most dramatically in the rankings since last year (left) and the five which have fallen the most drastically (right)

King of office chairs.
Design of the decade.

'One of the 12 best designs of the past 100 years'.

The Herman Miller Aeron chair has collected more accolades than any other in its category. Its imaginative design, fast-forward ergonomics and distinctive looks redefined the work chair. Aeron adapts naturally to virtually every body, and keeps you cool and focused. Visit our website today to find your nearest Herman Miller dealer.

Herman Miller Furniture (India) Pvt Ltd

Safina Towers Pvt Ltd,
No. 3, 5th Floor, Ali Asker Road,
Bangalore. 560 052. India
M +91 9845324444

Available at:

AHMEDABAD
Searce

BANGALORE
Bearys Innomark

CHENNAI
Buildcraft Interior

COCHIN
Prime Commercial Solutions

HYDERABAD
Richi Interiors
Seating World Extension

KOLKATA

LUDHIANA
Comfits Collection

MUMBAI
Workrite

NEW DELHI
CI Living
Workplace Synergies

PUNE

HermanMiller
hermanmiller.com/asia

Godrej Consumer Products

SNAPSHOT

Ranking 2013

44

Revenue	No. of employees	Present in	Key Focus
₹6,391 Crore	10,347	18 Countries	Fast-moving consumer goods

PHOTOGRAPHS BY NISHIKANT GAMRE

Goodies galore: Shoppers pick up Godrej products at a store in the Mumbai suburb of Ghatkopar

Ministering To the Masses

Godrej Consumer Products's strategy of offering premium products at value prices has paid off.

By AJITA SHASHIDHAR

Soon after Vivek Gambhir took over as Managing Director of Godrej Consumer Products Ltd earlier this year, he travelled to Kurukshetra, Haryana, on a market visit. When he ventured into a small *kirana* store, the owner walked up to him with a sachet of Godrej Expert Rich Hair Creme, a hair colour. Gambhir was surprised when he expressed amazement that the company could offer premium products at an affordable ₹30. The smallest pack of even an ordinary rival product cost no less than ₹60. The retailer remarked: "You are launching innovative products almost every quarter when the rest are cutting spends."

It was music to Gambhir's ears. In 2007, when he was Chief Strategy Officer, he had heard retailers grumble that his company offered little that would appeal to the new generation. The 115-year-old company realised it had to do something quickly to keep consumers interested. The first change was the "Brighter Ideas, Brighter Living" positioning at the group level. The century-old red and white Godrej logo got an infusion of blue, pink and green for

Instead of giving all its brands premium status, Godrej tried to change consumption habits at the bottom of the pyramid

GOOD RUN

Godrej is one of the top gainers in market cap among consumer goods companies on the *BT* 500 list

Company	Rank 2013	Rank 2012	Market Cap*	M-cap growth (%)
ITC	3	5	2,61,462	34
Hindustan Unilever	9	13	1,27,582	28
Nestle	27	27	48,505	10
Godrej Consumer	44	66	28,317	42
Dabur	46	67	27,497	38
GlaxoSmithKline	72	94	19,392	67
Colgate-Palmolive	74	75	18,509	17
Marico	89	93	13,920	19

* ₹ crore, average for Apr-Sep 2013

GRAPHIC BY SANTOSH

a more contemporary look.

That same year, on the sprawling Godrej campus in the Mumbai suburb of Vikhroli, there were heated debates about existing brands: should the old powder hair colour brand and Cinthol soap be left unchanged? Should they become premium products? Multinationals such as L'Oreal were already giving Godrej a run for its money. Opinions at the company were divided. It took much persuasion from the top to push things through, says a brand consultant who was advising Godrej Consumer at the time and does not want to be named. He says group Chairman Adi Godrej was certain the upgrade was necessary.

But unlike rival companies, which were rushing to give their brands premium status, Godrej Consumer took a calibrated approach. It decided to upgrade consumption habits at the bottom of the pyramid by offering quality products at value prices. "The idea was to delight customers with an affordable product without compromising on quality," says Gambhir. "We brought costs down mostly through packaging innovations."

He adds that the company decided to play only in categories where it was the market leader or on the path to becoming one. So it stuck to hair colour and household insecticides, where it dominated, and soaps, in which it had the second largest market share.

For example, Godrej Powder Hair Dye became Godrej Expert, a liquid hair colour, and then Godrej Expert Rich Hair Creme. More recently, the Good Knight mosquito repellent brand was extended to Good Knight Fast Card, a paper-based product priced at ₹10 for a pack of 10. The company says the smoke-free cards are suitable for people with allergies and require no electricity.

"We see what our consumers' needs are, and how we can differentiate," says Nisaba Godrej, Executive Director, Godrej Consumer. "For instance, the only reason a mass consumer will not use creme-based hair colour is because of its price. So we found a way to reduce the cost by packaging it in a sachet. We are price-disrupting, but at the same time we are offering a premium product."

Ashish Mishra, Managing Director of Interbrand, the consultancy that helped Godrej build its overall brand architecture, says "mass premium" is at the core of the Godrej brand. "They are following the charter ... and are creating innovations sensitive to consumer problems. This is helping them grow."

The strategy of offering premium products for less has worked for the ₹6,391 crore company. Its top line has grown by 42 per cent and bottom line by 38 per cent, year-on-year for the past five years. Its market capitalisation has risen 42 per cent in the past year to ₹28,317 crore.

Almost 75 per cent of Godrej Consumer's revenue comes from mass products. Gambhir expects the contribution of premium products to increase by at least 35 per cent in the next three years. Almost 48 per cent of its revenue comes from international acquisitions. These include the Kinky, Rapidol and Tura brands, and the Darling Group, all in Africa, Indonesia's Megasari Makmur Group in Asia, and the Issue Group, Argencos and Cosmetica Nacional in South America. Group Chairman Godrej says the plan is to innovate for India and for the world.

"We have a clear focus on our 3x3 strategy,

MAKE 5
YOUR LUCKY NUMBER

Stay for 5 nights
GET 1 NIGHT COMPLIMENTARY
or a 60 minute spa therapy

Stay for 5 nights at our hotels in Hyderabad; Chennai and Bandra Kurla, Mumbai before 31st March, 2014 and receive:

One complimentary night at any Trident hotel in Agra, Jaipur, Udaipur and Cochin.

or

A **60 minute spa therapy** at Trident hotels in Hyderabad; Chennai and Bandra Kurla, Mumbai on your next stay.

+Earn Trident Privilege points during your stays.

To know more or to join Trident Privilege, please visit **tridentprivilege.com**

TRIDENT
Privilege

VIVEK GAMBHIR/MD, Godrej Consumer Products

'To offer affordable products without compromising on quality, we cut costs through packaging innovations and smart sourcing'

which is concentrated on three business categories in three geographies," he says, referring to Africa, Asia and South America. "We want to continue to drive growth in these categories where we ... have a competitive advantage, by providing our consumers with superior quality products at affordable prices."

So, for example, before being sold in India, GoodKnight Fast Card was launched in Indonesia under the brand name Hit Paper Magic. The technology to package creme hair colour in sachets came from Godrej's acquisition in Latin America.

Abneesh Roy, Associate Director, Edelweiss Equity Research, lauds Godrej's acquisition strategy. "Their willingness and aggression to acquire companies and learn from them has helped growth. However, the challenge will be to sustain these high growth levels."

The sluggish economy has hurt consumer spending. In cities, premium category spends have dropped by eight to nine per cent. But per capita spends in rural areas are rising. In fact, an Edelweiss report predicts 12 per cent year-on-year growth in the overall consumer products universe, 13.4 per cent growth in EBITDA (earnings before interest, taxes, depreciation and amortisation) and 11.5 per cent growth in profit after tax.

Higher raw material prices have forced most consumer products companies to raise prices, but Godrej Consumer has been the exception. Hindustan Unilever increased soap, toothpaste and skin care product prices by up to 10 per cent, and Marico raised the prices of its Parachute portfolio by five to six per cent. Gambhir says Godrej managed to avoid passing on increased input costs to consumers through smart sourcing of raw materials and efficient cost management.

One way it does this is by equipping sales representatives with handheld devices to get retail-level data. This enables Godrej Consumer to manufacture as per demand. "Unlike our competition, we follow the replenishment method of production and not the forecast method," says Rakesh Sinha, Chief Operating Officer (Global Supply Chain, Manufacturing and IT). As sales volumes rise, the company is increasing production in existing facilities rather than setting up new ones. For instance, a soap factory designed to produce 48 tonnes a day now runs at 78 tonnes.

So far, so good for Godrej Consumer, but what's next? Nisaba Godrej says it will continue to build on what it is doing. However, many in the industry say it should spread its wings in global markets. Edelweiss's Roy says if Godrej can take on giants such as Unilever and Procter & Gamble in India, it can do it anywhere.

Interbrand's Mishra says: "GCPL needs to decide whether it wants to build a global brand or a global business. To be a top brand, it has to have a presence in the top GDP countries. It's high time all Indian conglomerates begin thinking truly global, rather than just restrict themselves to emerging markets."

Adi Godrej sees things a bit differently. "Close to 80 per cent of the world's population lives and works in emerging markets," he says. "We remain strongly focused on our 3x3 strategy, and want to be leaders in these emerging markets, which we believe have the potential to offer significant opportunities for driving growth and competitive advantage, today and in the future." ◆

SiBM PUNE SINCE 1978
ALWAYS AHEAD OF TIMES!

Symbiosis Institute of Business Management, Pune
(A Constituent of Symbiosis International University)
Gram: Lavale, Tal: Mulshi, Dist: Pune - 412 115
www.sibm.edu

SIBM PUNE ADMISSIONS THROUGH *SNAP* 2013

Deloitte Touche Tohmatsu India Private Limited

Deloitte's Campus Maverick National Winner 2013

SIBM MBA Programme Offers Specialisation in:

- Marketing
- Finance
- Human Resources
- Operations

- More than 75 SIBM Pune Students Win National Level & Campus Competitions every year
- 35 Years of Management Education
- 6000+ Strong Alumni in Leadership Roles Globally
- Industry Driven Academics

SNAP
Symbiosis National Aptitude Test
Sunday, 15th December 2013
(Time: 2.00 pm to 4.00 pm)

Visit www.snaptest.org and register with SNAP 2013 scheduled on 15th December, 2013

Last date for Registration with SNAP 2013: 22nd November, 2013
Last date for Programme Registration: 14th December, 2013

Dr. Vivek Sane
Director, SIBM Pune

SYMBIOSIS INTERNATIONAL UNIVERSITY
॥वसुधैव कुटुम्बकम्॥
PUNE

SYMBIOSIS
INTERNATIONAL UNIVERSITY
(Established under Section 3 of UGC Act 1956 vide notification No. F.9.-12/2001 - U3 of the Government of India)
Accredited by **NAAC** with **'A' Grade**

No capitation / donation is charged for admission to any programme at any institute of Symbiosis

SNAPSHOT

BT 500 Ranking

64

The Big League Beckons

With consistent growth behind it, as well as the merger with Mahindra Satyam in June, Tech Mahindra is trying to enter the top league of Indian IT companies. By E. KUMAR SHARMA

Tech Mahindra has now set its sights on cracking the big league by growing into a $5-billion company by the end of 2015

A new mail popped into the inbox of Mahindra Satyam employees the morning of June 25. The subject line read: "Experience the new Tech Mahindra. Welcome to our connected world". It was a message from Executive Vice-chairman Vineet Nayyar, informing them that the merger of Mahindra Satyam and Tech Mahindra was complete and the new merged entity would be called Tech Mahindra.

The event marked a milestone for scandal-hit Satyam Computer Services, which had been left to fend for itself after its founder, B. Ramalinga Raju, sent out a letter in January 2009 informing them of corporate fraud within the company. Three months later that year, Mahindra Group acquired the company and gave it a new identity: Mahindra Satyam. Nayyar's mail made it clear that Satyam's firefighting days were over. With one move, it had become part of a huge $2.7-billion (₹14,544.2-crore) entity, the fifth-largest IT company in the country by revenue, behind only TCS, Infosys, Wipro and HCL Technologies. (Cognizant is a US-registered company.) Moreover,

For interview with CFO Milind Kulkarni, go to
www.businesstoday.in/2013bt500-kulkarni

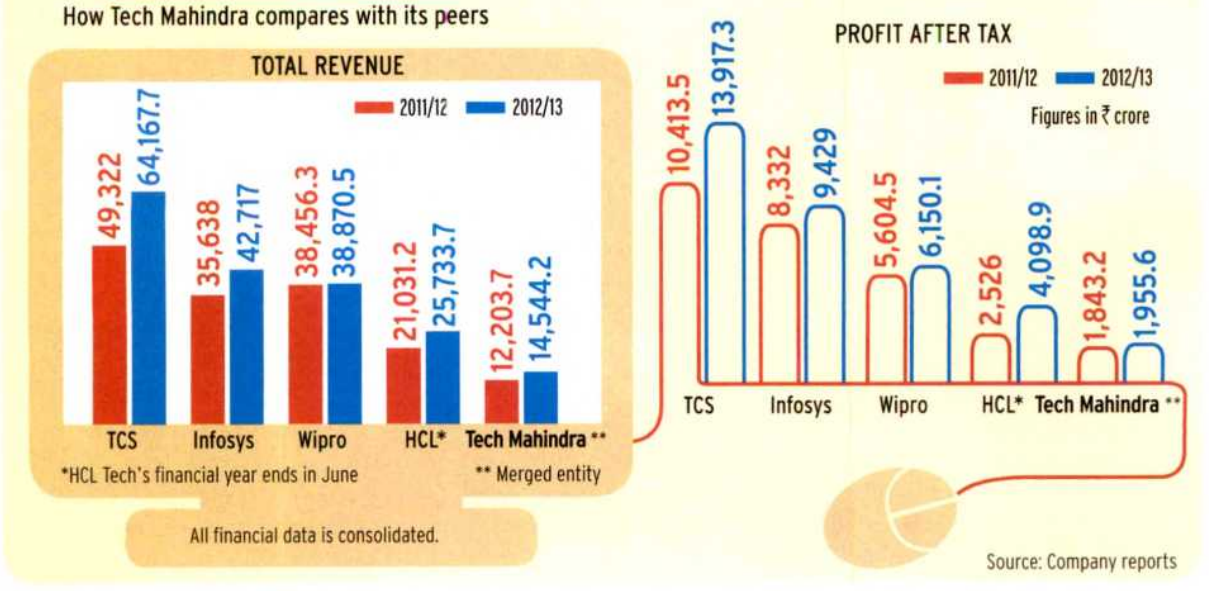
Revenue	No. of employees	No. of clients	Present in	Key Focus
$2.7 billion	**84,000**	**560**	**49 Countries**	**Enterprise solutions and telecom solutions**

Confident: Tech Mahindra CEO and MD, C.P. Gurnani (left) and Executive Vice-chairman Vineet Nayyar

VIVAN MEHRA/www.indiatodayimages.com

IN THE RECKONING

How Tech Mahindra compares with its peers



GRAPHIC BY SANTOSH

its stock has leapt more than 45 per cent since the merger, propelling it into *BT* 500's top 100 for the first time since the ranking was started in 1992. It ranks 64 in the latest survey. "In the three-four years since Tech Mahindra acquired Satyam, the two companies have accomplished a lot," says Sudin Apte, CEO and Research Director of research company Offshore Insights. "They have got over the initial turbulence from the change of management and have stabilised the business and customer base of Mahindra Satyam."

The company's trajectory has been in line with Mahindra Group Chairman Anand Mahindra's ambitions. Two weeks after Tech Mahindra acquired Satyam Computer Services in April 2009, he had declared: "I don't believe this is a sinking ship. No longer. This may not be a racing craft yet, but it is our task to make it one." Nayyar was equally determined but a bit guarded at the time. "I do believe that Satyam can be one of the top companies in India not only in competence but also in earning capability. Will it happen tomorrow? Definitely not. Will it happen in the next few years? I hope it will and we are determined to do so," he had said.

Tech Mahindra plans to meet its target through both internal growth as well as acquisitions and joint ventures

So, what next? Tech Mahindra has now set its sights on cracking the big league by growing into a $5-billion company by the end of 2015. How does it plan to get there? Simple, through internal growth as well as acquisitions and joint ventures. "It is not a guidance. It is a mission-to-the-moon kind of a goal," says C.P. Gurnani, Managing Director and CEO of the company. "If you are at $2.7 billion and give yourself 10 quarters, you can at best add over 30 per cent and maybe get to $4 billion or so. The rest will have to come through acquisitions and joint ventures."

A key part of Tech Mahindra's strategy to achieve its target is changing the way it conducts its operations. Gurnani has set up a five-member team to look at performance management and says the aim is to achieve zero defects in delivery and compress delivery timelines. Tech Mahindra is also looking at acquiring companies in its key areas such as telecom and digital enterprise solutions to meet its growth targets.

With over ₹3,000 crore in its pocket and the backing of the $16.2-billion Mahindra group, it has already been shopping around. Tech Mahindra has picked up a majority stake in Complex IT, one-of-the largest SAP consulting providers in Brazil, to develop solutions for the rapidly expanding enterprise solutions market in Brazil. The deal gives it a toehold into proprietary solutions for large manufacturing, financial and consumer services companies in the market. "Tech Mahindra today stands between tier one and tier two Indian IT companies," says Thomas Reuner, Principal Analyst, IT services at UK-based analyst house Ovum. "It is a difficult position to be in be-

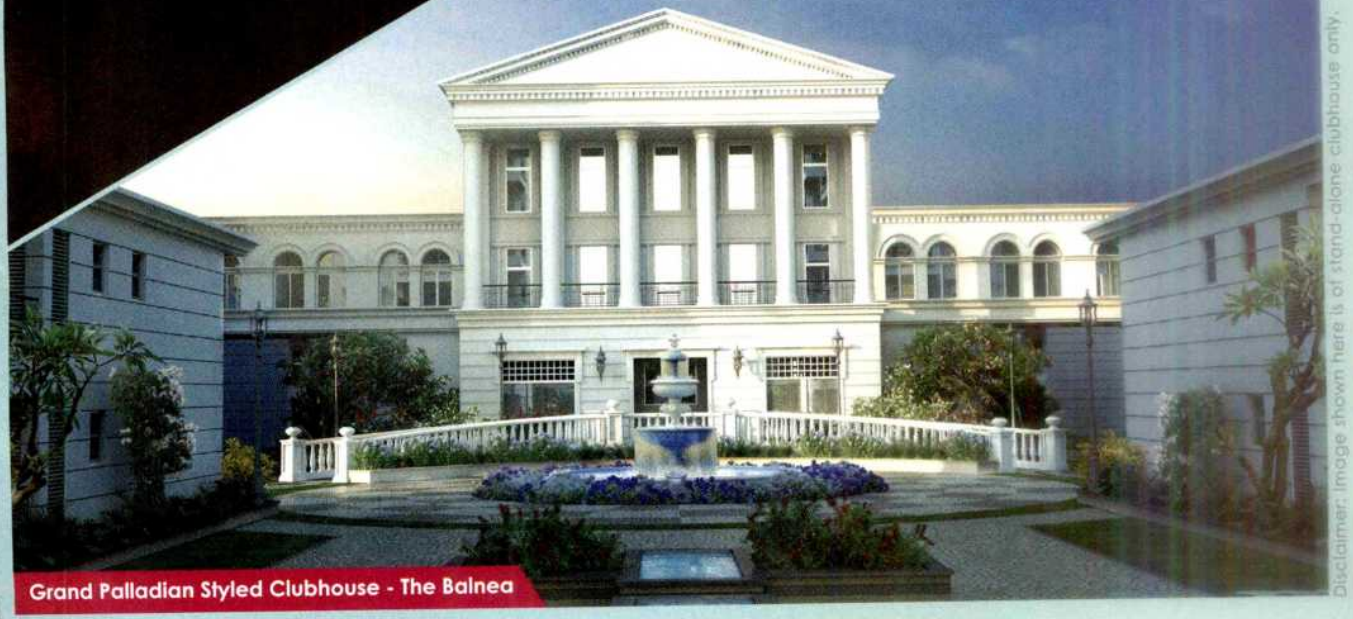
SOBHA

PASSION AT WORK

104 SKETCHES. 258 EXPRESSIONS. 797 MAN-HOURS. ONE ARCHITECTURAL MARVEL.

One that evokes surprise, admiration and wonder, rightfully deserves that extra effort and those strenuous long hours. Introducing **SOBHA PALLADIAN.** Skillfully crafted on the architectural principles of balance, proportion and symmetry, these large 3&4 bedroom condominiums, along with a magnificent clubhouse - the Balnea, have been designed with extreme precision and passion. Located only 100 metres off the famous Old Airport Road in Bangalore and right across the HAL Aerodrome, Sobha Palladian is undoubtedly Sobha's magnum opus and Bangalore's prized architectural marvel.

SOBHA PALLADIAN
AN ARCHITECTURAL MARVEL
FACING HAL AERODROME, YEMALUR ROAD, BANGALORE



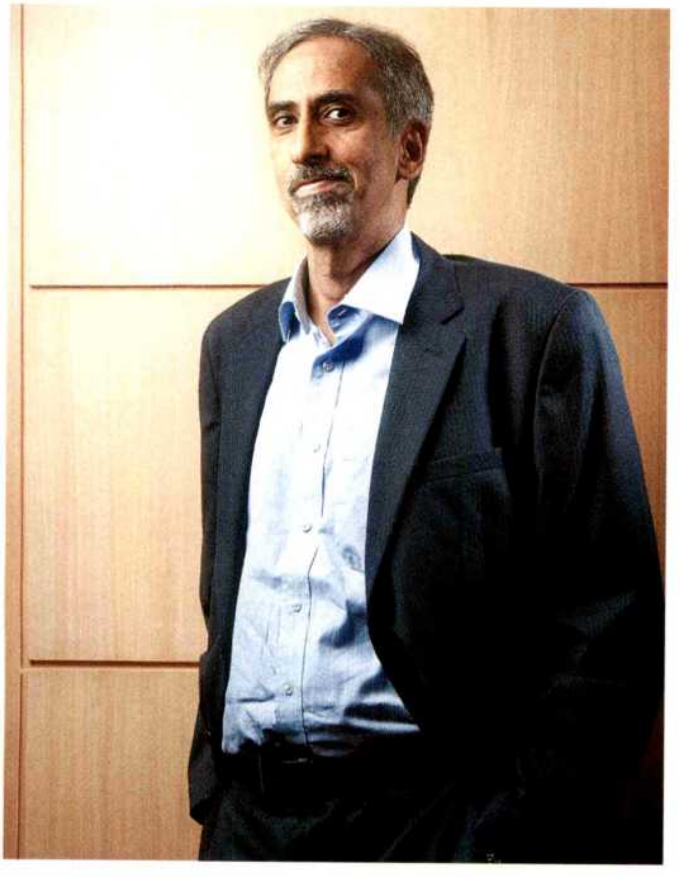
Grand Palladian Styled Clubhouse - The Balnea

Disclaimer: Image shown here is of stand-alone clubhouse only.

Only 205 units in 5 towers housed in 5.5 acres of lush greenery | 3&4 BHK Luxury Condominiums | SBA Range: 2268 – 3277 sft | Central Walkway, Water Fountains, Aromatic Tree Court & Designer Landscaping | Centrally located in Bangalore with most of the key road junctions just 10 minutes drive away.

Call 080 4349 0044, Email to marketing@sobha.com or Visit www.sobha-palladian.com

CREDAI An ISO 9001: 2008, ISO 14001: 2004 and OHSAS 18001: 2007 Certified Company. | Project financed by Indian Overseas Bank



DANESH JASSAWALA/www.indiatodayimages.com

MILIND KULKARNI/ CFO

We want to do more by cross-selling. We want to sell enterprise solutions to telecom, and sell telecom products to the enterprise customer

cause they have to reach scale and reach more geographically. It stands out through its strong focus on telecommunications."

Tech Mahindra has also acquired Hutchison Global Services and a 51 per cent stake in Bharti Enterprises-controlled Comviva Technologies. The Hutchison deal strengthens its telecom domain expertise while the Comviva stake gives it an edge in mobile value-added services. Its other acquisitions were vCustomer in the retail and consumer technology business and Dion Global in the capital markets solutions business. Market watchers say Tech Mahindra was also one of the bidders for the services business of Chennai-based software firm Polaris Financial Technologies. "We would be looking at those that can bridge some gaps in our service offerings, we will look at some platforms, some cloud-based companies and those that get us new markets," says Gurnani. Milind Kulkarni, CFO, Tech Mahindra, adds: "We are looking at PE or EBIDTA multiples that are low, where we can add value."

Despite the push in information technology, telecom remains Tech Mahindra's biggest edge. It accounts for 48 per cent of the company's revenues, with one of its biggest clients, British Telecom, contributing nearly 13 per cent to its coffers. "We want to do more by cross-selling. We want to sell enterprise solutions to telecom; and sell telecom products to the enterprise customer," says Kulkarni.

Kiran Karnik, a government-appointed director on the Satyam board after Raju's era until the Mahindras took over, agrees. "They are well-positioned as they have the fundamental things in terms of their skill-sets. It is for them to now move from being an organisation with an IT-services centric outlook to one with a more domain and skill-based approach and be able to come out with innovative new applications."

But some analysts are sceptical about Tech Mahindra cracking the big league. They say it is in a new bracket between giants such as TCS with over $10 billion (₹64,167.7 crore) revenues and second-tier companies such as iGate with revenues of over $1 billion. Offshore Insights believes Tech Mahindra's depth of industry domain capabilities is limited. "They call it industry domain or vertical practices, but primarily focus on technologies or products used there. In contrast, the top three Indian vendors are organised by verticals and have deeper capabilities at micro-segments and the business process level, " it says based on its research findings.

Apte of Offshore Insights says Tech Mahindra may continue to lag the top five who will keep their edge because they will continue to grow at a similar pace. "By the time they achieve, if at all, their revenue target of $5 billion, the top five of the offshore industry (including Cognizant) will have marched much further ahead," he says. "However, among the tier-two companies behind the top five, they will probably emerge as a promising, fast-growing, and aggressive leader. In select verticals and service lines, they may even become tough competition to top companies in the offshore industry."

But Gurnani is confident. His bedside reading reflects his attitude. He is currently reading former Microsoft India Chairman Ravi Ventakesan's book, *Conquering the Chaos: Win in India, Win Everywhere*. Clearly, winning is on the top of his mind. ◆

ADDITIONAL REPORTING BY SUPROTIP GHOSH

Get more business for your business

Google AdWords

Let Google help you find new customers

Google AdWords allows you to be found online by customers who are searching for your products or services by displaying your ad on Google. Get ₹2,000 free advertising credit (when you spend ₹500) and try it out.

How does Google AdWords work?

Just choose the keywords that best describe your business and write a short ad text. Your ad will appear on Google when users search using those keywords, so it will only be shown to potential customers who are interested in your products or services.

What does it cost to advertise with Google AdWords?

With AdWords, you have full control over your advertising costs. There is no minimum contract term and you set your own budget. Also, you only pay when someone clicks on your ad.

How do I avail my ₹2,000 advertising credit?

- ✓ Call us toll-free on **1800-419-0918** (from Mon-Sat between 10am-6pm). Our Adwords experts will provide you with free help to create your first campaign.
- ✓ Go to **google.co.in/startadwords** and start your first campaign. Redeem your coupon by entering the promotional code in the billing tab of your Google AdWords account.

Call us now
1800-419-0918

This advertising credit will expire on 31st December '13. Terms and conditions apply and can be found on **http://www.google.co.in/intl/en/adwords/ccupons/terms.html**

Google AdWords

Hitting the Right Numbers

Just Dial's market valuation has soared after a successful stock market debut.

By MAHESH NAYAK

RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM

In attack mode: Just Dial founder V.S.S. Mani, who started the company in 1996 from a garage in Mumbai

SNAPSHOT
Ranking 2013
180

Revenue	No. of employees	Market Value	Key Focus
₹376 crore	**7,500**	**₹6,100 crore**	**Providing local search services**

When Internet entrepreneur Raj Koneru invested about ₹6.5 crore for a 40 per cent stake in Just Dial, the local search service provider's founder V.S.S. Mani thought the company was being overvalued. Mani didn't complain though, as the cash helped him expand the business. That deal happened in 2000, and the investment valued the company at more than five times its annual revenue of ₹3 crore. Koneru hadn't overvalued Just Dial for sure. He made almost 26 times returns on his investment by selling his stake in the company in stages to a few private-equity players by 2007, says Mani.

No doubt, Koneru made handsome returns on his investment. But he probably exited a bit too soon. Just Dial's market value has continued to soar. The company is now worth over ₹6,100 crore, or about $1 billion. That's more than 350 times its valuation in 2000. The company's phenomenal success has also attracted Bollywood celebrities. Superstar Amitabh Bachchan has invested in the company while acclaimed filmmaker Anurag Kashyap is looking to make a movie on Mani's life.

Just Dial is also the biggest success story over the past year in terms of stock market listing. Its initial public offering received bids for nearly 12 times the shares on sale. Despite stock market volatility and most investors sitting on the sidelines, the company made an impressive debut in June. From its offer price of ₹530 apiece, the stock almost doubled to hit a record high of ₹1,046.05 on October 7. Though the stock is off its peak now, the price rise has catapulted the company into the top 200 companies in the *BT* 500 listing – it's ranked 180. During the same period the Bombay Stock Exchange's benchmark Sensex gained only two per cent (See *Just Dial versus the Sensex*).

"The listing helped us gain a higher public profile, which is good for business," says Mani. It also provided liquidity to investors such as private equity players SAIF Partners, Tiger Global and Sequoia Capital, which made between eight and 11 times return on their initial investment in Just Dial over five to six years.

Besides, of the five largest initial public offerings in the country over the past year, only two, led by Just Dial, have made money for investors (See *How Debutants Fared*). The search service provider enjoys a massive premium in the stock market. This is evident from the fact that the stock trades at a 12-month trailing price-to-earnings ratio of 100 times. The ratio is an indicator of a company's earning potential. Just Dial is the darling of investors also because it has no listed peers in India and there is immense interest for search engine companies globally.

THE CHALLENGES

Just Dial is on a strong footing, but some questions remain

Cash use
The company is sitting on about ₹600 crore of cash, and has not yet indicated how it plans to use that to grow the business

Global threat
Competition in the local search services market is intensifying with giants such as Google and Yahoo entering the fray

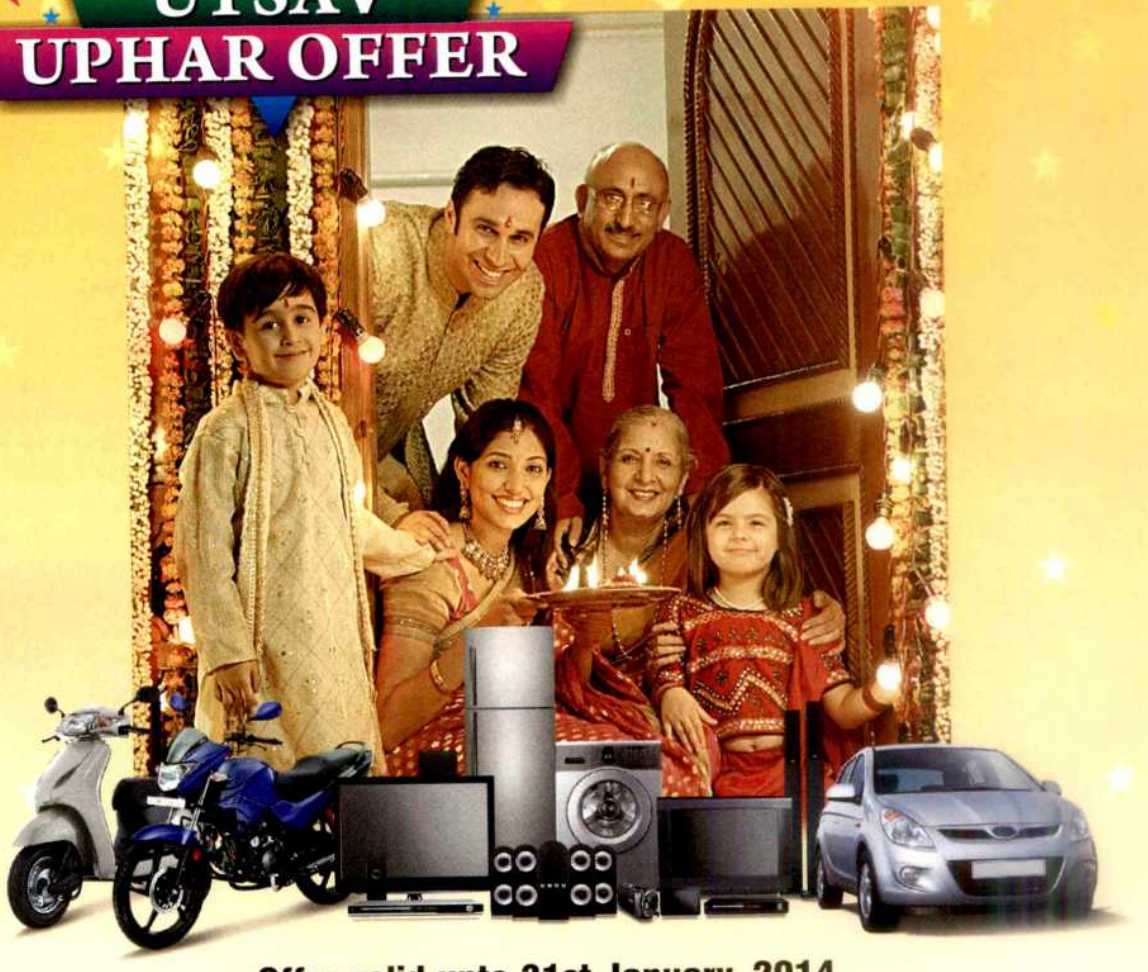
Market dynamics
The share of voice-based search queries is falling while that of web and mobile-based queries is increasing

Revenue base
Though it has users in 1,800 cities, 90-95 per cent of its revenue comes from 12 cities

State Bank of India
THE BANKER TO EVERY INDIAN

Utsav ki Umang, SBI ke Sang

SBI UTSAV UPHAR OFFER



Offer valid upto 31st January, 2014

SPECIAL FESTIVAL LOANS FOR CONSUMER DURABLES AND TWO WHEELERS

For All SBI Salary Package Account Holders

- Low EMIs to suit all
- Maximum loan amount of ₹15 lacs
- Repayment upto 5 years

SBI CAR LOAN

- Lowest EMI ₹1689 per lac
- Processing Charges FLAT ₹500
- Longest Repayment Period 7 years

- No Advance EMI
- Lower Interest Rate
- No Prepayment Penalty

Terms and Conditions apply

For details log on to www.sbi.co.in or call 1800 425 3800 & 1800 11 2211 (Toll Free) / 080 26599990

HOW DEBUTANTS FARED

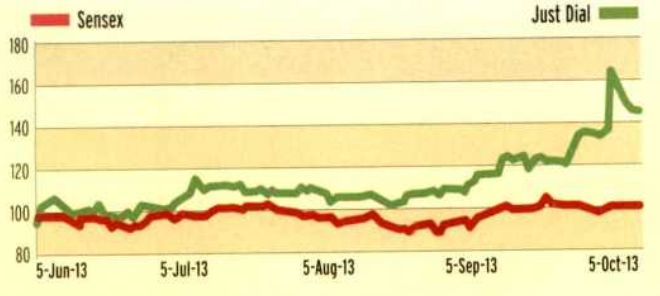
Of the five largest IPOs in the past year, only two, led by Just Dial, are trading above their offer price

Company	Listing date	Offer price	Current Price*	BT Rank
Bharti Infratel	Dec 28, 2012	220	158.95	42
Just Dial	Jun 5, 2013	530	874.85	180
Credit Analysis & Research	Dec 26, 2012	750	573.75	311
PC Jeweller	Dec 27, 2012	135	95.10	317
Repco Home Finance	Apr 1, 2013	172	261.30	371

Share price in ₹

*Price as of Oct 15, 2013

JUST DIAL VERSUS THE SENSEX



Sensex level and Just Dial share price rebased to 100

Source: BSE

GRAPHIC BY RAJ VERMA

The closest company comparable to Just Dial is US-based Yelp Inc. which listed in March last year at $15 per share. Yelp's stock is trading around $67 per share now, giving it a market value of $4.4 billion. But the US company hasn't reported a profit since it was founded in 2004. For the six months ended June 30, Yelp reported a loss of $5.7 million on revenue of $101.2 million. Just Dial has been profitable since its first year of operations. For the quarter ended June 30, it reported a 68 per cent jump in net profit to ₹28 crore ($4.6 million) while revenue climbed 28 per cent to ₹104.6 crore. "The company is highly profit-focused," says Mani. "There is zero wastage of resources."

The calling

Mani, a first-generation entrepreneur, was born into a middle-class south Indian family. The eldest among three brothers and a sister, he began working early and attended an evening college to complete his graduation. The idea of setting up a local search service provider originated in Mani's mind in the 1980s when he began selling advertisements and listings for United Database India for its yellow pages in Delhi. He became an entrepreneur in 1992 when he set up search company Ask Me with two partners. The partnership did not last long due to differences of opinion and he soon sold his stake in Ask Me to his partners. (See *http://businesstoday.in/justdial* for details of his entrepreneurial journey.) In 1996, Mani set up Just Dial from a garage in the Mumbai suburb of Malad.

Just Dial started as a voice-based service. In 1999, at the peak of the dotcom boom, consulting firm PricewaterhouseCoopers (PwC) advised Mani to move out of voice and join the Internet bandwagon to grow his business rapidly. He didn't agree with PwC, arguing that the use of phones will grow faster than the Internet in India. He has been proved right, with the number of phone users increasing exponentially in the past decade.

Just Dial has a robust business model. It earns revenue from the customers who advertise with it. It had more than 221,000 paid advertisers as of June, and received more than 364 million search requests during the year ended March. Its users are spread across 1,800 cities in India, though about 90 to 95 per cent of its revenue comes from 12 cities. The advertisers pay between ₹3,000 to a few lakh depending on the location, and products and services they provide. "We have very high customer retention. That's one of the reasons for our high growth," says Mani.

As Just Dial receives the entire payment in advance from advertisers, it has zero debt on its books. It also has massive cash on hand – almost ₹600 crore. While Mani, who along with other promoters controls 33 per cent of Just Dial, doesn't say how he plans to utilise this cash, an analyst from a foreign brokerage says on condition of anonymity that the company could use the money to accelerate expansion and to make ac-

quisitions. The CEO of a wealth management firm, who does not want to be named, says the market is attracted towards companies that generate a lot of cash but it has yet to be seen how well Mani uses this cash in growing his business.

The market dynamics are changing now. Most people now prefer to search for information using the web. In keeping with the times, Mani launched the Just Dial portal in 2007. The share of voice-based search queries has dropped to 28 per cent from 75 per cent in 2007-2009. Online queries now make up 72 per cent, of which 30 per cent are from mobile phones.

Mani, who took a sabbatical for a few months after the dotcom bust at the turn of the century and spent time traveling and practising yoga to recharge himself, is now dreaming big in the mobile segment. He has shifted his focus to making mobile applications that will make it easier for users to search for information. So if one wants to book movie tickets or order food from a restaurant it can be done in three to four easy steps using the apps. He also plans to diversify into regional language search services. Currently, the company provides search services only in English. He is not in a hurry though, as he feels that Just Dial is a strong brand and regional players still operate through voice services. "We leverage technology to the hilt," he says. "We are obsessed with accuracy, simplicity and speed."

The reason Mani is developing newer phone apps is because he feels mobile telephony growth will exceed the pace of Internet expansion in India. He is aware that technology is constantly evolving and competition from local as well as overseas players is heating up. Search engine giants such as Google and Yahoo are slowly becoming a threat to Just Dial with their local services. Mani once wanted to make Just Dial the local search engine of the world, but he now realises he must guard his home turf from global companies before he can venture overseas. As competition intensifies, the next couple of years will be crucial for Just Dial. Mani has the first-mover advantage and he is ready to take competition head on. "The marketplace is full of activity," he says. "For us this is just the beginning." ◆

IMI

INTERNATIONAL MANAGEMENT INSTITUTE

2/4C Judges Court Road, Alipore, Kolkata-700027,
Contact -033 -66529645, 033- 66529648
Fax- 033-66529618

IMI KOLKATA

PGDM Programme-Post Graduate Diploma in Business Management , 2 Years Full Time AICTE Approved

Executive Post Graduate Diploma in Energy Sector Management, Part Time AICTE Approved

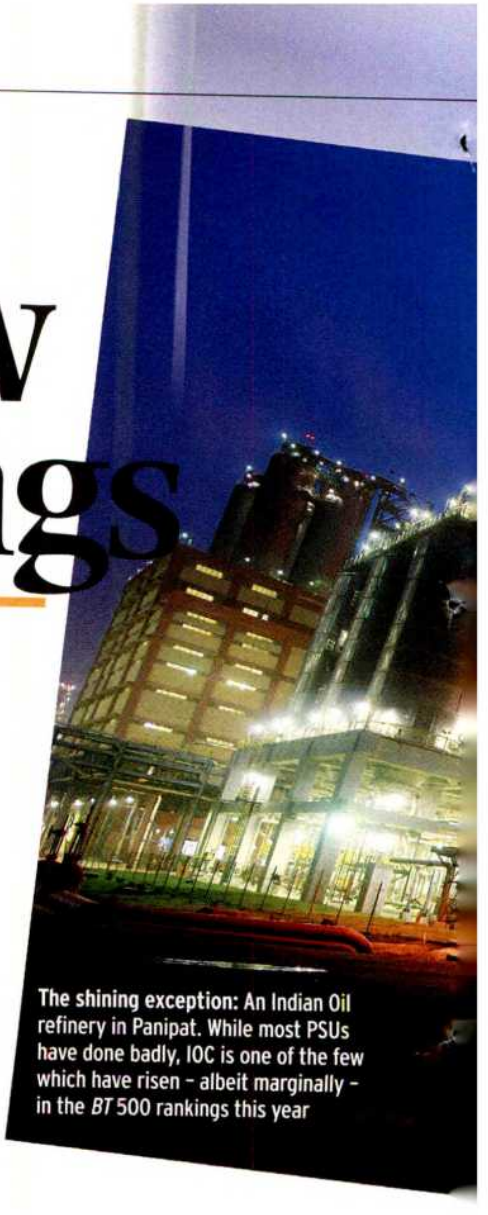
Management Development Programme and Executive Development Programme, in area of
Finance and Banking
Energy Management
Sustainability Development & CSR
Mentoring for Success
Building and Leading High Performance Teams

Companies for Campus Recruitment of PGDM 2011-2013 (Final Placements)
Price Water House Coopers, Hindustan Unilever, Eveready, First Source, CESC, General Insurance Company and Housing Finance, Yes Bank, Philips Carbon Black Ltd, Reliance Cap, HDFC Banks, ICICI Prudential, Alstom, Schneider Electrics, Universal Cable, ICML, Raychem ...and many more.

Summer Internship 2012-2014 Batch
Bank of America, Spencer's Retail, Coal India, Volkswagon, Airtel, Maruti Suzuki, UBI, Exide, Siemens, Garden Reach, Berger Paints, Axis Bank, Allahabad Bank, ITC, Delphi Honk Kong, J K Cements, CESC, Andrew Yule....to name a few.

Poor Show Undertakings

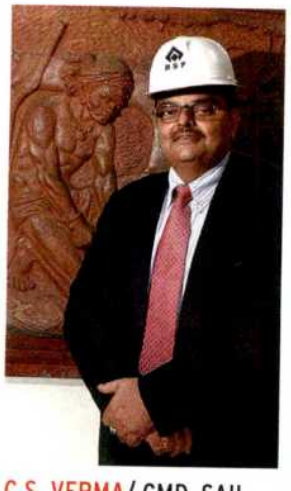
Most public sector units have lost value over the past year, thanks to government apathy and lackadaisical management. By MANU KAUSHIK



The shining exception: An Indian Oil refinery in Panipat. While most PSUs have done badly, IOC is one of the few which have risen – albeit marginally – in the *BT* 500 rankings this year

When the government kicked off its divestment programme for the current fiscal year on June 13, the results were shocking. While the government raised the targeted amount from a stake sale in MMTC that day, shares of the trading giant and many other state-run companies slumped on fears of wealth erosion. Why? The MMTC stake was sold at ₹60 per share, a steep 72 per cent discount to the stock's closing price of the previous day and 89 per cent lower than its average price one year before the date of sale.

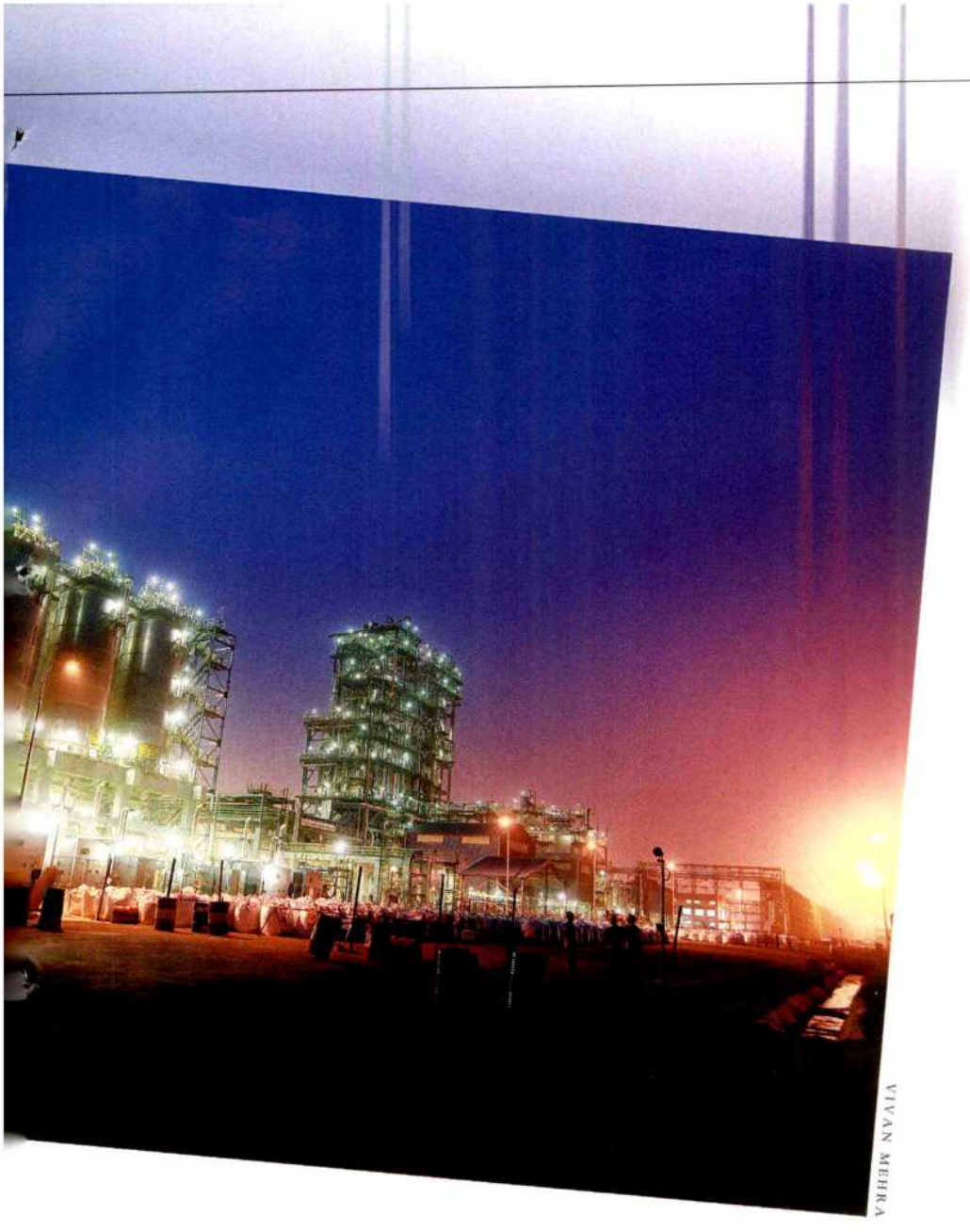
MMTC wasn't a one-off case. In July, the government sold shares in National Fertilizers Ltd (NFL) at a 57 per cent discount to its average price one year before the date of sale. MMTC and NFL are among six public sector undertakings (PSUs) in which the government has sold small stakes this year as part of its aim to raise ₹40,000 crore. State Trading Corporation, Indian Tourism Development Corporation, Neyveli Lignite Corporation (NLC), and Hindustan Copper Ltd (HCL) are the others. How much has it raised so far? A paltry ₹1,325 crore. This is not unusual. Between 2010/11 and 2012/13, the government raised about ₹60,000 crore by selling stakes in 16 companies, well short of its target of ₹1.1 trillion. (One trillion equals 100,000 crore.)



C.S. VERMA/ CMD, SAIL

On paper, there is no interference from government departments in PSUs. But if a PSU head is weak, interference will increase

Selling shares at a discount has meant the government failed to raise as much money as it could have. It also has destroyed minority shareholders' wealth, as many of these stocks are now trading below their offer price. MMTC, for instance, is now trading around ₹50 apiece. No wonder then that in the *BT* 500 listing this year, 51 of 69 state-run companies have dropped in their rankings compared with last year. The laggards include Oil & Natural Gas Corporation (ONGC), Steel Authority of India Ltd (SAIL), NTPC and State Bank of India. Some companies such as MMTC, HCL and NFL have seen



VIVAN MEHRA

wealth erosion of over 50 per cent.

One reason why the government sold stakes at a discount could be that it was expecting a feeble public response to the offerings because of the companies' poor financial performance. Except NLC, the other five companies in which the government sold stakes registered a fall in either revenue or net profit in 2012/13. The top management at some of these companies had resisted stake sales. Neeru Abrol, Chairman and Managing Director (CMD) of NFL, says she had asked the Department of Fertilizers to defer the sale. "We told them last year was not good for us. Three of our plants were not functioning properly. Besides, our profit margins shrank because raw material prices went up and we had to borrow money as the government subsidy did not come on time," she says.

The problem with PSUs, says U.R. Bhat, Managing Director at investment advisory firm Dalton Capital Advisors, is too much government interference. "PSUs are treated as properties of the concerned government departments. The performance of PSUs is largely influenced by some bureaucrats sitting in Delhi. They are not allowed to be run as commercial entities," he says. SAIL CMD C.S. Verma has a different point of view. "On paper, there is no interference from government departments in PSUs. But if a PSU head is weak, government interference will automatically increase," he says.

While PSUs across sectors have dropped in the *BT* 500 rankings, the fall is more

WORST PERFORMING PSUs

COMPANY NAME	RANK 2013	RANK 2012
State Trading Corporation of India	482	359
National Fertilizers Ltd	323	201
Mahanagar Telephone Nigam Ltd	427	333
Orissa Minerals Development Co Ltd	377	298
Hindustan Copper Ltd	133	56
MMTC Ltd	91	16
Chennai Petroleum Corporation Ltd	391	318
Rashtriya Chemicals & Fertilizers Ltd	306	237
Shipping Corporation of India Ltd	328	270
HMT Ltd	291	238

FALLEN ANGELS

Some leading PSUs in which the government wants to sell stakes have lost market value in the past year

Company	Rank 2013	Rank 2012	Average market cap (April to Sept) in ₹ crore 2013	Average market cap (April to Sept) in ₹ crore 2012	Decline (%)
Coal India	5	4	186,298	218,034	14.6
Indian Oil Corporation	18	21	60,519	62,618	3.4
Bharat Heavy Electricals	33	22	40,527	55,190	26.6
Engineers India	169	127	5,209	7,807	33.3
Power Grid Corporation	26	23	48,945	52,082	6

GRAPHIC BY SANTOSH

Sources: BT and Department of Disinvestment, Ministry of Finance

pronounced in the banking, minerals and mining, and oil and gas sectors. Vinay Khattar, head of research at brokerage Edelweiss Securities, explains the reason why these sectors faced the maximum heat. "In the last few years the market has laid huge emphasis on the quality of the top management and business model. It has been harsh on companies where earnings are not directly related to performance."

The government controls fuel prices by doling out subsidies to oil marketing companies such as Indian Oil. The subsidy burden is partly shared by upstream companies ONGC, GAIL and Oil India. While fuel prices have risen in recent years, marketing companies are still incurring revenue losses while upstream companies carry a huge subsidy burden. "The last thing investors want is lack of visibility on earnings," says Khattar.

State-run banks are hurting, too. Khattar says that, while the economic slowdown has affected the entire banking sector, state-run banks have been particularly hit because they lent to "some questionable companies". Bad loans at state-run banks climbed to ₹1.9 trillion, or 4.2 per cent of total advances, at the end of June from ₹1.6 trillion, or 3.6 per cent, as of March.

Ratings firm ICRA expects gross bad loans at state-run banks to rise to 4.8-5.0 per cent by March 2014. This will hit profitability as banks will have to make higher provisioning for bad debt. Edelweiss expects a 19 per cent drop in net profit for state-run banks in the October-to-December quarter of 2013/14. In contrast, it expects private-sector lenders to post 14 per cent profit growth.

So what should the government do to inject a dose of optimism into PSUs?

Dalton Capital's Bhat says the government should either completely divest its holdings in some PSUs or de-list the companies, giving a fair exit option to minority shareholders. "The current set up where the government gets away with violation of the listing and corporate governance guidelines is grossly unfair to minority shareholders," he adds. NFL's Abrol says the government should exit some sectors like telecom, hotels and aviation. "It will improve the performance of these units, bring in more transparency, and reduce their budgetary deficits," she says.

The government exiting PSUs is easier said than done, though. In the late 1990s, the Bhartiya Janata Party government favoured the privatisation of PSUs to unlock their full potential. The programme was later abandoned due to strong political opposition. "The idea of privatisation was to change the DNA of these companies and create wealth for the government and other shareholders. But in the past 10 years, the government is only selling minority stakes to meet its financial targets," says Saikiran Pulavarthi, head of research at brokerage Espirito Santo Securities.

This is barely enough. The temples of modern India, as India's first prime minister Jawaharlal Nehru described PSUs, require more than just minor repairs to prevent them from crumbling. ◆

BP in India... There is commitment in this partnership.

As one of the world's leading energy companies, BP is committed to help secure India's energy future. We have steadily built this relationship for over 100 years. And with Rs. 40,000 crore investment in oil, natural gas, petrochemicals and Castrol lubricants, this partnership is even stronger. Together, with our 8500-strong India talent, we will continue to deploy advanced technology and fuel India's future.

BP in India. There is energy in this partnership.
Find out more at bp.com/india

bp

The Cable Guys

The market cap of most cable companies has soared thanks to the digital access system and a transparent revenue model. But their challenges are not over.

By AJITA SHASHIDHAR

SHEKHAR GHOSH/www.indiatodayimages.com

Tied in with success: Siti Cable Network CEO V.D. Wadhwa

Symbiosis Institute of Media & Communication - Bengaluru

(A Constituent of Symbiosis International University)

SIMC
BENGALURU
Symbiosis Institute of Media & Communication
CONNECT • COMMUNICATE • CONVERGE

Our USP:

- Three internships with NGOs /Corporates / Agencies and four live projects
- Serving the multi-faceted needs of the communication industry through education, training, research & advocacy
- Two year full-time residential programme
- State-of-the-art world-class infrastructure
- Novel, contemporary, globally relevant and holistic curriculum
- Pedagogy - impressive academic industry mix

Admissions open for **two year MBA in Communication Management**

Specialisations: Advertising | Public Relations

Modules Taught Include:

Public Relations
Image Management
Reputation Management
Corporate Communication
Public Affairs
Experiential Marketing
Integrated Marketing Communication
Retail Communication
Brand Ecology
Client Servicing
Media & Culture Studies
Digital Ecosystem
Marketing Management
Managerial Economics
Design Technology

Industry Best Fit:

Client Servicing	Advertising
Brand Development	Brand Management
Marketing Communication	Marketing
Media Buying & Selling	Market Research
Internal Communication	Public Relations
Corporate Communication	Employee Relations
Event Management	Business Development
	Print, Broadcast, Electronic & Digital Media

Milestone Partnerships:

- Bangalore Literature Festival
- India's 1st classical music reality show *Naad Bhed*
- The 10K marathon- Pinkathon, a cancer awareness initiative
- Bangalore International Film Festival
- Art of Living's International Women's Conference
- 1st expos of ELCIA and CLIK
- NH 7 Weekender Music Festival

Bangalore Literature Festival

Pinkathon 2013

Voluntary Blood Donation Camp

For SNAP Registration & Programme (SIMC-B) Registration:
visit www.snaptest.org
Last date for SNAP: 22nd November, 2013
Last date for SIMC-B: 14th December, 2013

Prof. Maya Chakravarti V
Director

SYMBIOSIS
INTERNATIONAL UNIVERSITY

(Established under Section 3 of UGC Act 1956 vide notification No. F.9.-12/2001 - U3 of the Government of India)
Accredited by **NAAC** with **'A' Grade**

No capitation / donation is charged for admission to any programme at any institute of Symbiosis

Symbiosis Institute of Media & Communication, 95/1, 95/2, Electronic City Phase 1, Hosur Road, Bengaluru 560 100
Tel: +91 80 6713 9521, +91 80 6713 9587 | Fax: 080-67139533 | E-Mail: directorsoffice@simc.edu.in www.simc.edu.in SIMC.Bengaluru SIMC_bengaluru

Jagdish Kumar had spent most of his career in the broadcast and new media businesses. But, about a year ago, he made a major switch and took over as Managing Director and CEO of Hathway Cable & Datacom. He says he would never have moved to the cable industry had it not been for the rolling out of the digital access system in November last year. "November 1, 2012, was a game changer for the ₹20,000-crore cable industry and I realised that I could be part of a future-led transformation industry," he says.

Like him, barely a year ago, many media professionals would probably not have touched the cable business with a bargepole. Plagued by large-scale under-declaration of revenue by cable operators, it lacked transparency and clear-cut revenue models. Not anymore. The digitisation of cable has professionalised the business, and multi-service operators (MSOs) such as Hathway or Siti Cable are no longer at the mercy of local cable operators.

Investors are making a beeline for cable companies such as Hathway, DEN Networks and Siti Cable, which have seen a sharp increase in their market caps and revenues. DEN Networks's market cap has grown nearly 80 per cent in the past year, while Hathway and Siti Cable have witnessed over 40 per cent growth. Industry revenues are up more than 50 per cent and are likely to jump to ₹32,340 crore in 2014 from ₹4,032 crore, according to Chrome Data Analytics. Average revenue per user is expected to increase to ₹550 from about ₹140 in the analog era.

Though digitisation is still being rolled out, cable companies have become an attractive investment destination. Last year, Macquarie Bank and US-based private equity fund Providence Equity Advisors bought out Star India's 17 per cent stake in Hathway for ₹358 crore. In July, the fund invested another ₹110 crore for an additional 3.55 per cent stake in the company. Goldman Sachs recently picked up an 18 per cent stake in DEN Networks for ₹693 crore. And Zee Group's Siti Cable got the government nod to raise ₹324 crore from its promoter companies.

"Post-digitisation, cable has come up better than direct-to-home (DTH) in most countries, and investors are already thinking forward," says Ashish Tripathi, Associate Director, Transaction Advisory Services, Ernst & Young. "There isn't a market where DTH has done well, where cable was an incumbent, except in countries such as Australia where the population density is low."

So, what does the cable industry offer? Does it have an edge over the DTH industry, which has nearly 45 million subscribers and over the years has been clinching clients from cable? Quite simply, the main attraction is economic. To begin with, an entry-level digitised cable set-top box is priced at ₹800, while an entry level DTH box is much higher at about ₹2,000 to ₹2,250. The average monthly payout for a cable subscriber is between ₹250 and ₹300, while a DTH subscriber pays close to ₹400. Moreover, digitised cable can offer over 1,000 channels, while DTH can, at the most, offer 300 channels.

Also, the game changer for the cable companies could be broadband, which DTH doesn't have the capability to offer. "This country is hungry for Internet services and if that is capitalised, cable can have a transformational impact on the society," says Atul Phadnis, CEO of TV

RIGHT SIGNALS

Rankings of cable companies in the *BT* 500 list have improved since last year

Company	Rank		April-Sep 2013*	Growth (%)
	2013	2012		
Hathway Cable & Datacom Ltd.	198	269	3,915.3	50.2
DEN Networks Ltd.	252	366	2,696.16	79.7
Siti Cable Network Ltd.	459	552	943.25	44.9

*Market cap figures are in ₹ crore

KHUSHIYON KA BIMA

The happiness of knowing that the future is full of joy.

Health is happiness. Not just for you, but for everyone around. So, with our Health Insurance 'Medishield' and 'Swasthya Kavach' policy, we make sure happiness forms a chain.

Advantages:

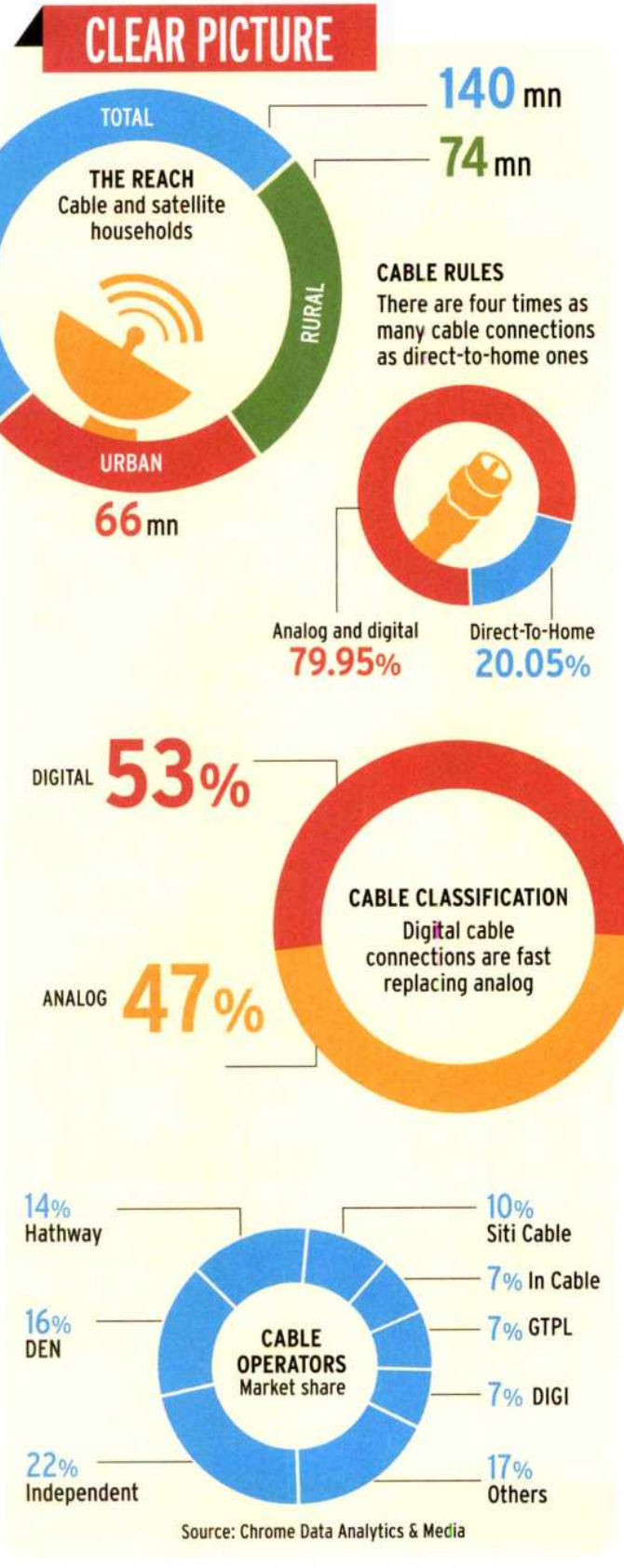
Section 80D Tax benefit | Option of Individual and Family Floater policies | Guaranteed renewability | Critical illness coverage for expensive treatments | Emergency assistance with no extra charges | 3500 + hospitals with cashless facility

Our Other Products: Auto Protector | Home & Family Protector | Travel Protector | Industry Protector | Office Protector | Trade Protector

Toll Free: 1800 103 5499 | Call us: 0124 4285499 | SMS 'CLAIM' to 56161 | www.iffcotokio.co.in

Follow us on: facebook.com/iffcotokio YouTube youtube.com/iffcotokio

IFFCO-TOKIO General Insurance Company Limited



programming and search guide company What's On India.

The cable industry has tremendous growth opportunities, but it won't be a cakewalk. It has been a B2B industry for about two decades and cable companies have started dealing directly with consumers only after digitisation. Are they equipped for it? "We never bothered about consumers and there was not even a desire to understand the consumers. However, we are slowly adapting to the changes of digitisation and learning to be a consumer-facing company," says V.D. Wadhwa, CEO of Zee Group-owned cable company Siti Cable.

In the first phase of digitisation, most cable companies pushed their set-top boxes into consumers' homes, but the companies did not know their viewing habits. Multiple channels were sold for a flat price of ₹200 until authorities made it mandatory for cable companies to conduct a process to know their consumers.

Since then, the operators have started offering packages with a base pack of free-to-air channels at ₹100 and a pack of a few popular pay channels for between ₹160 and ₹180. But cable companies are betting on premium packages priced anywhere between ₹265 and ₹365. "We expect a large chunk of our revenue to come from premium packages and HD," says Wadhwa of Siti Cable.

The full subscription potential of digitsation has still to be realised. "There are many stakeholders in this chain. There has to be a sync in this chain as finally it is the consumer who will pay for the product. Currently, there is a huge gap in the value chain which needs to be addressed," says Pankaj Krishna, CEO, Chrome Data Analytics & Media.

In order to cater to billing for multiple packages, cable companies are investing heavily in back-end technology. Wadhwa says Siti Cable has pumped in close to ₹1,000 crore to set up its back-end system. "There is no point focusing on expansion of subscribers unless we have the technology in place," he says.

Analysts are worried about the slow pace at which cable companies are offering broadband and other value-added services, which could give them a clear edge over DTH. "We are far away from it," says Hathway's Kumar. "But the goal is to ensure that almost 40 per cent of our revenues come from broadband and value-added services four years from now."

Cable companies are not the biggest fans of

local cable operators. The monopoly of operators deprived these companies as well as broadcasters of a considerable chunk of revenue for over two decades. However, service operators have realised they cannot do without cable operators and are investing heavily to empower them. Siti Cable, for instance, is training more than 4,000 cable operators on maintaining subscriber data, finding out details about packages and tracking billing cycles.

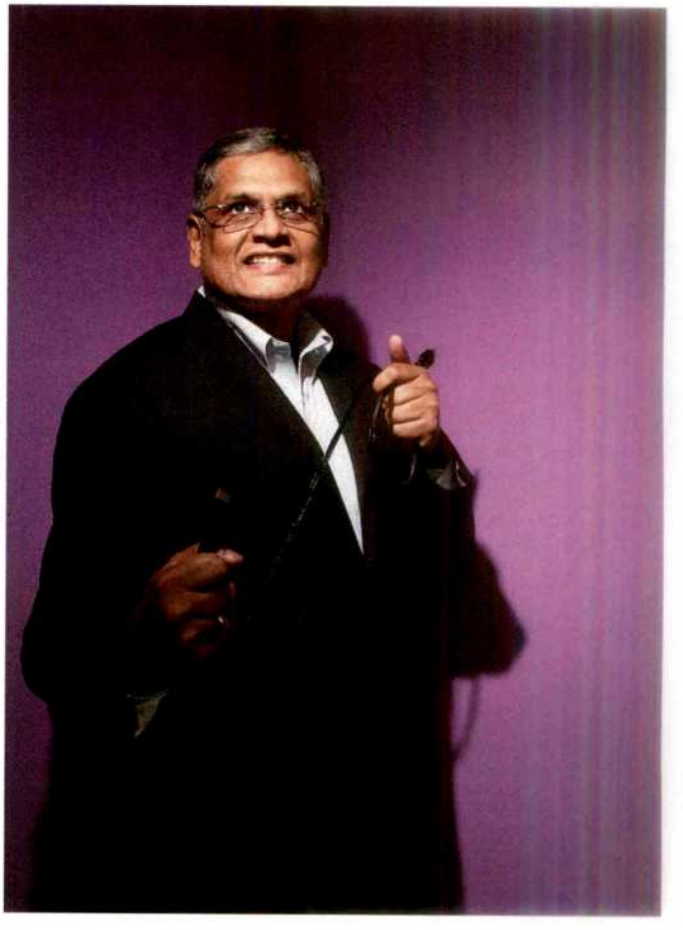
"The MSOs require the LCOs (local cable operators) as they are the face for the consumers and convince them to go for the MSOs set-top box," says Mihir Shah, Vice-President, Media Partners Asia. Wadhwa agrees that the role of local cable operators is important. "The LCO can even activate and deactivate the signal if a particular consumer hasn't paid on the due date. The idea is to treat LCOs like partners," he says.

Despite the change, local cable operators are yet to reconcile to losing their monopoly. Their profitability in the last one year has dipped 50 per cent and many are looking at alternative career options or selling out to service operators. "Digitisation has led to a lot of confusion," says the spokesperson of CTV, one of the largest cable operators in South Mumbai. "We are losing at least 30 subscribers a month to DTH due to non-availability of some services."

He isn't alone. John David, Vice-President, Malvani Cable Operators Association, which caters to Malad in the western suburbs of Mumbai, says he too has lost around 200-300 customers in the past three months due to a shortage of boxes. "The LCOs are insecure as their job now has got delegated to collecting money from consumers and passing it on to the MSOs," says Chrome's Krishna.

So, will local cable operators eventually shut shop? No, says Krishna. "The MSOs need the LCOs. Smart LCOs will become marketing agents and will try to open up additional sources of revenue by generating local advertising. Some of the smarter ones may even start offering broadband and share the revenue with the MSO."

The long-term vision of cable companies is not only to kill DTH but also to compete with telecom companies. They cannot afford to go slow in overcoming the challenges, says Phadnis of What's On India. "They also need to invest in brand-building. DTH may catch cable companies sleeping if they don't create national brands." ◆



NISHIKANT GAMRE/www.indiatodayimages.com

JAGDISH KUMAR, MD & CEO, Hathway Cable & Datacom Ltd

The goal is to ensure that almost 40 per cent of our revenues come from broadband and value-added services four years from now

Send your comments to editor.bt@intoday.com

w.wave-inc.com

An Organisation built on Trust

WAVE

WAVE Infratech | WAVE Industries | WAVE Distilleries & Breweries Ltd | WAVE Premier Sports | WAVE Beverages | WAVE Cinemas | WAVE Malls | PONTY CHADHA FOUNDATION

AL ESTATE | SUGAR | PAPER | DISTILLERIES & BREWERIES | SPORTS | BEVERAGES | EDUCATION | MALL & MULTIPLEXES | FILM DISTRIBUTION | CS

Behind the Rankings

Companies have been listed on the basis of market capitalisation, but for a better understanding, they have also been ranked separately on other parameters

Number crunching the *BT* 500 data is a fascinating exercise. It reveals not only which are the most valuable companies in India and in what order, but also throws light on how corporate India has been performing across a multitude of parameters. The exercise becomes all the more significant when the economy hits a downturn, as at present. The data pinpoints both the spots where companies are suffering pain, as also how a few of them are effectively managing and mitigating that pain.

The extent of stress this year can be gauged from the fact that the aggregate total income and net profit of the *BT* 500 companies rose by just 0.1 per cent and the net profit margin remained flat at 7.7 per cent compared to the previous year. The aggregate market capitalisation grew 0.06 per cent.

RAJ VERMA

Our rankings were reached through a rigorous process of evaluation. There has been no change in the methodology this year – the 23rd edition of *BT* 500 rankings – from previous years. We ranked only listed companies on the basis of their average market capitalisation for a period of six months. We also ranked them separately on other financial parameters and compared their performance this year to last year's.

The Process: We relied on Prowess, the database of the Centre for Monitoring Indian Economy (CMIE). We screened all 5,183 companies listed on the Bombay Stock Exchange and National Stock Exchange. We considered the six months average market capitalisation between April and September 2013 of each of these companies. To avoid including less traded stocks, we excluded illiquid companies that traded for less than 20 per cent – that is 25 days – out of the total number of trading days (126) between April 1 and September 30, 2013. In all 3,146 companies qualified for the ranking and from that list we picked the top 1,000.

Financial Parameters: The market capitalisation of a company captures investors' sentiment towards it, which also takes into account its financial performance. For a better understanding of the corporate scenario, we have also separately ranked companies on parameters such as Total Assets, Total Income, Net Profit, etc and provided additional information such as profit as percentage of total income, return on net worth (RoNW), return on capital employed (RoCE), and earnings per share (EPS) apart from the main ranking. For all the financial parameters used we have considered the financial year ended March 2013; in case of exceptions, we have specified them in footnotes. We have used standalone numbers – not consolidated results – for all companies. ◆

SYMBIOSIS
INTERNATIONAL UNIVERSITY

(Established under Section 3 of UGC Act 1956 vide notification No. F.9.-12/2001 - U3 of the Government of India)
Accredited by **NAAC** with **'A' Grade**

BE THE LEADER OF ORGANISATIONAL EXCELLENCE

MBA-OPERATIONS MANAGEMENT – FOR ENGINEERS ONLY

India's first unique Operations Management institute, Symbiosis Institute of Operations Management (SIOM) offers a niche curriculum to create competencies for diverse sectors in Manufacturing, Consulting, IT, Logistics, Retail, BFSI, etc.

SIOM's 2 year full time MBA - OPERATIONS MANAGEMENT is a preferred programme for ENGINEERS who aspire to become the future global corporate leaders.

Special Competencies

- SAP - UA curriculum: FI, SD, PP, MM, SCM, CRM
- Six Sigma training and certification by KPMG
- Support global certifications like CPIM/CSCP/CPSM /CAPM, etc.
- Capstone Business Simulation
- Extensive industry interaction

For SNAP Registration & Programme (SIOM) Registration:
Visit: www.snaptest.org
Last date for SNAP: 22nd November, 2013
Last date for SIOM: 14th December, 2013

Dr. Vandana Sonwaney,
Director

SIOM | **SYMBIOSIS INSTITUTE OF OPERATIONS MANAGEMENT**

Empowering & Leading Operations Excellence

(A Constituent of Symbiosis International University)

Plot No. A-23, Shravan Sector, Behind Taj Residency, CIDCO, Nashik 422 008
Tel.: +91 253 237 6107/8/ | **Fax:** +91 253 237 9959 | Email: info@siom.in

www.snaptest.org/Siom.aspx | www.siom.in | admissions@siom.in | Contact No.: +91 253 239 1750

No capitation/donation is charged for admission to any programme at any institute of Symbiosis

BT 500 INDIA'S MOST VALUABLE COMPANIES/ **The Top 500**

OVERALL RANKS

Rise

Fall

No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
1	1	Tata Consultancy Services	**3,20,828**	2,44,121	**31.4**	2,20,605	2,54,714
2	2	Reliance Industries	**2,69,186**	2,42,496	**11.0**	2,74,208	2,55,761
3	5	ITC	**2,61,462**	1,95,241	**33.9**	1,55,683	2,12,387
4	3	Oil & Natural Gas Corpn	**2,58,668**	2,32,514	**11.2**	2,34,476	2,40,581
5	4	Coal India	**1,86,298**	2,18,034	**(14.6)**	2,22,538	2,18,185
6	8	HDFC Bank	**1,55,647**	1,31,922	**18.0**	1,11,204	1,43,264
7	6	Infosys	**1,53,635**	1,38,910	**10.6**	1,57,404	1,43,365
8	7	State Bank Of India	**1,31,643**	1,38,451	**(4.9)**	1,35,646	1,45,415
9	13	Hindustan Unilever	**1,27,582**	99,483	**28.2**	75,287	1,04,432
10	12	HDFC	**1,26,850**	1,02,853	**23.3**	98,528	1,12,997
11	10	Bharti Airtel	**1,21,368**	1,12,054	**8.3**	1,41,413	1,14,529
12	9	NTPC	**1,19,183**	1,31,766	**(9.5)**	1,42,883	1,30,847
13	11	ICICI Bank	**1,18,306**	1,03,418	**14.4**	1,06,248	1,15,250
14	19	Sun Pharmaceutical Industries#	**1,05,435**	64,354	**63.8**	51,552	70,398
15	14	Wipro	**97,411**	95,171	**2.4**	98,882	95,942
16	15	Larsen & Toubro	**83,426**	81,956	**1.8**	89,631	89,007
17	18	Tata Motors	**81,014**	69,178	**17.1**	55,751	73,636
18	21	Indian Oil Corpn	**60,519**	62,618	**(3.4)**	73,107	65,705
19	36	HCL Technologies	**59,033**	35,544	**66.1**	31,146	40,677
20	29	Axis Bank	**57,810**	43,396	**33.2**	47,138	50,630
21	20	Cairn India	**57,353**	63,063	**(9.1)**	61,372	62,200
22	28	Mahindra & Mahindra	**55,145**	43,878	**25.7**	44,192	49,573
23	25	Bajaj Auto	**53,521**	46,592	**14.9**	44,578	51,458
24	30	Kotak Mahindra Bank	**53,451**	42,622	**25.4**	34,985	45,363
25	31	Ultratech Cement	**50,025**	42,606	**17.4**	31,317	47,973
26	23	Power Grid Corp. of India	**48,945**	52,082	**(6.0)**	47,698	52,416
27	27	Nestle India	**48,505**	44,020	**10.2**	40,490	44,782
28	24	Hindustan Zinc	**48,124**	51,940	**(7.3)**	54,799	53,532
29	46	Idea Cellular	**47,201**	26,878	**75.6**	28,529	30,238
30	17	NMDC	**45,970**	71,018	**(35.3)**	87,748	67,651
31	38	Maruti Suzuki India#	**44,597**	34,806	**28.1**	33,390	38,547
32	37	Asian Paints	**44,457**	35,386	**25.6**	28,661	38,363
33	22	Bharat Heavy Electricals	**40,527**	55,190	**(26.6)**	81,141	55,002
34	26	GAIL(India)	**40,249**	44,399	**(9.3)**	52,831	44,465
35	43	Dr. Reddy'S Laboratories	**36,576**	28,372	**28.9**	26,831	29,549
36	51	Lupin	**35,125**	24,938	**40.9**	20,381	25,693
37	34	Hero Motocorp	**34,852**	39,403	**(11.5)**	38,348	37,653
38	106	United Spirits	**33,260**	10,221	**225.4**	10,837	16,415
39	40	DLF	**32,617**	34,076	**(4.3)**	36,851	37,110
40	47	Cipla	**32,393**	26,680	**21.4**	25,112	29,045
41	42	OilIndia	**31,515**	28,462	**10.7**	30,541	29,142
42	NL	Bharti Infratel	**30,033**	NA	**na**	NA	37,130
43	54	Adani Ports & Special Economic Zone	**29,412**	24,048	**22.3**	28,935	25,566
44	66	Godrej Consumer Products	**28,317**	19,941	**42.0**	13,494	22,238
45	49	Ambuja Cements△△	**27,928**	26,146	**6.8**	22,703	28,453
46	67	Dabur India	**27,497**	19,934	**37.9**	18,003	21,273
47	44	Bosch△△	**27,373**	27,389	**(0.1)**	22,217	27,742
48	33	Tata Steel	**27,229**	40,356	**(32.5)**	46,948	39,159
49	50	Bharat Petroleum Corpn	**25,325**	25,709	**(1.5)**	22,316	26,184
50	41	Bank Of Baroda@	**25,058**	28,696	**(12.7)**	31,561	30,476

Indian Oil Corp ranks no. 18 overall, but in terms of total income it is no. 1

Bharti Infratel is a new entrant. It was listed in December last year and has promptly entered the top 50

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
43,234	63	50,657	41,282	15	12,786	10,976	5	25.24	44.69	44.32	65.33
3,18,611	10	3,79,190	3,45,984	2	21,003	20,040	1	5.54	12.28	8.70	65.05
34,549	76	43,148	36,084	23	7,419	6,163	10	17.19	36.21	36.07	9.39
2,22,865	15	92,854	88,015	6	20,926	25,123	2	22.54	17.83	17.49	23.64
34,048	77	11,556	9,624	73	9,794	8,065	7	84.75	48.87	46.00	15.51
4,00,390	7	42,280	34,149	25	6,726	5,167	12	15.91	20.33	10.94	28.27
43,375	62	39,065	33,661	27	9,116	8,470	8	23.34	27.70	27.70	158.75
15,68,949	1	1,36,721	1,22,017	5	14,105	11,707	4	10.32	15.47	5.90	206.20
11,776	144	28,576	23,638	36	3,797	2,691	28	13.29	122.76	122.76	14.74
1,95,632	20	21,439	17,611	47	4,871	4,127	21	22.72	22.34	2.85	31.35
99,506	34	46,850	42,248	21	5,097	5,730	17	10.88	9.86	7.67	13.42
1,70,884	22	71,481	65,896	7	12,619	9,224	6	17.65	16.42	9.63	11.95
5,37,263	3	48,550	41,452	18	8,325	6,465	9	17.15	13.10	4.04	72.17
9,381	156	4,447	3,375	180	1,930	1,384	44	43.39	26.10	25.94	9.64
41,154	66	34,642	33,109	31	5,650	4,685	15	16.31	23.26	18.85	22.94
75,140	44	64,056	55,392	10	4,910	4,456	20	7.67	18.10	13.46	50.52
54,026	55	51,496	59,854	13	303	1,244	186	0.59	1.58	0.84	0.34
2,31,912	14	4,79,510	4,31,220	1	5,004	3,953	19	1.04	8.41	3.64	20.61
12,061	141	9,208	6,961	95	1,950	1,198	43	21.18	31.29	26.72	28.13
3,40,586	8	33,858	27,436	32	5,179	4,242	16	15.30	18.53	7.73	110.68
38,249	71	19,174	249	50	14,747	44	3	76.91	44.73	43.85	33.93
27,764	84	44,068	34,946	22	3,353	2,879	30	7.61	25.08	19.83	54.61
12,637	135	21,976	21,121	46	3,044	3,004	31	13.85	43.66	43.00	105.18
83,694	38	9,281	7,233	94	1,361	1,085	55	14.66	15.60	5.00	17.94
27,578	86	23,237	21,027	43	2,655	2,446	34	11.43	18.90	14.10	96.85
1,17,306	27	13,490	10,796	66	4,211	3,228	25	31.22	16.85	4.91	9.09
5,240	228	8,647	7,728	101	1,068	962	68	12.35	69.52	41.93	110.63
35,487	75	15,690	13,624	59	6,899	5,526	11	43.97	23.33	23.33	16.33
35,870	73	22,157	19,360	45	818	577	89	3.69	6.07	3.14	2.47
40,819	67	12,959	13,293	71	6,342	7,265	14	48.94	24.44	24.44	16.00
33,897	78	50,125	40,575	16	2,392	1,635	36	4.77	14.17	13.08	79.19
5,684	215	10,603	9,264	78	1,050	958	73	9.90	38.11	36.63	10.95
82,393	39	53,810	52,980	12	6,615	7,040	13	12.29	23.70	23.00	26.78
51,241	56	49,047	41,636	17	4,022	3,654	26	8.20	17.54	13.35	31.45
13,765	126	8,652	6,871	100	1,266	912	61	14.63	17.46	13.96	69.28
7,105	188	7,208	5,456	116	1,260	804	62	17.49	29.38	24.36	28.16
9,659	153	26,337	25,978	40	2,118	2,378	40	8.04	45.57	35.39	106.07
13,129	131	19,076	16,267	51	321	343	179	1.68	5.23	3.06	26.18
36,985	72	3,352	4,592	233	502	1,042	133	14.96	3.45	1.65	3.04
12,232	138	8,524	7,223	102	1,507	1,124	52	17.68	18.38	17.28	18.77
25,520	89	11,478	11,282	74	3,589	3,447	29	31.27	19.44	18.89	59.71
22,018	94	5,145	4,274	162	930	357	82	18.07	5.74	5.74	5.33
18,257	105	3,564	2,522	212	1,754	1,177	48	49.22	29.81	13.35	8.76
4,105	262	3,840	3,346	199	511	604	130	13.31	19.34	17.52	15.01
12,539	136	11,403	10,066	75	1,297	1,230	59	11.38	15.37	15.29	10.39
3,358	310	4,486	3,874	179	591	463	116	13.17	41.99	35.45	3.39
7,939	172	9,744	9,100	88	958	1,123	80	9.83	18.60	17.68	304.94
1,03,496	32	42,933	38,315	24	5,063	6,696	18	11.79	9.07	6.13	52.13
67,986	49	2,52,565	2,24,261	3	2,643	1,311	35	1.05	16.75	6.74	36.55
5,47,135	2	38,842	33,589	28	4,481	5,007	23	11.54	16.19	8.49	108.14

Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; ### 15 months ended June 2011; * 6 months ended March 2012; @ 9 months ended March 2013; $ 9 months ended December 2012; $$ 18 months ended Sep 2012; ^ 12 months ended Dec 2012; ^^ 12 months ended June 2013; && 12 months ended March 2011; ** 12 months ended Sep 2012; @@ 12 months ended June 2012; @@@ 12 months ended June 2011; ** 12 months ended Sep 2011; && 12 months ended March 2010; &&& 12 months ended March 2009; ^^ 12 months ended Dec 2011; ^^^ 18 months ended Mar. 2012; ### 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Tech Mahindra jumps to no. 64 from 110 last year. Its share price has almost doubled since it merged with Mahindra Satyam

OVERALL RANKS

Rise

Fall

No Change

MMTC was ranked no. 16 last year but an 82% fall in market capitalisation saw its rank fall to 91 this year

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
51	52	Grasim Industries	24,986	24,655	1.3	21,903	26,785
52	85	Reliance Communications	24,475	13,342	83.4	18,034	13,779
53	32	Jindal Steel & Power	24,197	40,638	(40.5)	53,354	39,088
54	62	Oracle Financial Services Software	23,146	22,242	4.1	17,663	23,740
55	59	NHPC	23,116	22,736	1.7	28,262	25,998
56	77	IndusInd Bank	23,056	15,234	51.4	12,579	17,853
57	48	Punjab National Bank	22,756	26,538	(14.3)	31,795	27,238
58	64	Titan Industries	22,311	20,390	9.4	18,536	22,361
59	81	Zee Entertainment Enterprises	22,310	13,969	59.7	12,162	17,022
60	57	ACC	21,883	23,769	(7.9)	20,941	24,626
61	35	Steel Authority of India	21,809	37,003	(41.1)	47,683	35,424
62	53	Adani Enterprises∆∆	20,892	24,513	(14.8)	54,964	25,428
63	74	Sesa Sterlite	20,737	15,993	29.7	20,342	15,644
64	110	Tech Mahindra	20,413	9,456	115.9	8,257	10,937
65	58	Tata Power Company	20,398	23,309	(12.5)	26,177	23,875
66	60	Power Finance Corpn	20,323	22,553	(9.9)	23,290	24,358
67	71	GlaxoSmithKline Pharmaceuticals	20,014	17,624	13.6	18,032	17,579
68	80	United Breweries	19,937	14,360	38.8	11,817	17,200
69	45	Reliance Power	19,892	27,149	(26.7)	28,747	26,230
70	68	Rural Electrification Corpn	19,862	19,183	3.5	19,402	20,997
71	61	Hindalco Industries∆∆	19,461	22,485	(13.4)	29,729	22,197
72	94	GlaxoSmithKline Consumer Healthcare@	19,392	11,636	66.7	10,229	13,411
73	65	IDFC#	19,282	19,956	(3.4)	18,547	22,257
74	75	Colgate-Palmolive (India)	18,509	15,891	16.5	13,298	17,184
75	55	Siemens	18,390	24,023	(23.4)	27,795	23,312
76	63	Ranbaxy Laboratories∆∆	16,237	21,413	(24.2)	20,047	20,927
77	83	Castrol India	16,114	13,404	20.2	11,914	14,324
78	95	Sun TV Network	15,679	11,365	38.0	12,459	13,644
79	88	Shriram Transport Finance Company#	15,312	12,774	19.9	13,843	14,309
80	72	Cadila Healthcare	15,185	16,387	(7.3)	16,165	16,671
81	103	Shree Cement#	15,097	10,388	45.3	7,047	12,683
82	78	JSW Steel	15,015	15,229	(1.4)	16,541	16,192
83	90	YES Bank	14,788	12,315	20.1	10,556	14,353
84	70	Canara Bank	14,705	17,692	(16.9)	21,424	18,839
85	107	Glenmark Pharmaceuticals∆∆	14,697	10,127	45.1	8,307	11,436
86	69	Bank of India	14,345	18,270	(21.5)	19,882	18,313
87	92	Container Corporation of India	14,130	11,789	19.9	12,957	12,248
88	135	Mahindra & Mahindra Financial Services	13,924	7,272	91.5	6,965	9,236
89	93	Marico	13,920	11,710	18.9	9,220	12,826
90	114	Pidilite Industries	13,468	8,937	50.7	7,954	10,162
91	16	MMTC	13,251	74,722	(82.3)	79,092	67,261
92	86	Divi'S Laboratories	13,237	13,172	0.5	9,943	13,841
93	111	Aditya Birla Nuvo	13,048	9,304	40.2	9,951	10,536
94	116	Apollo Hospitals Enterprise	12,799	8,668	47.7	7,033	9,921
95	89	Cummins India	12,419	12,599	(1.4)	12,060	13,164
96	131	L&T Finance Holdings	12,267	7,594	61.5	8,216	10,303
97	76	Jaiprakash Associates	12,107	15,376	(21.3)	15,669	17,047
98	145	Motherson Sumi Systems	12,059	6,894	74.9	7,379	8,837
99	105	Wockhardt	11,855	10,284	15.3	4,364	14,294
100	73	ABB India	11,623	16,302	(28.7)	16,479	15,366

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
13,063	132	6,414	5,840	135	1,226	1,177	64	19.11	12.76	11.55	133.58
76,840	43	15,686	14,556	60	624	156	104	3.98	1.61	0.89	3.02
40,067	68	17,330	15,172	56	1,593	2,111	50	9.19	13.73	5.36	23.18
9,648	154	3,442	3,308	222	1,029	1,089	74	29.90	15.20	15.20	118.17
54,574	54	6,715	6,911	126	2,353	2,775	37	35.04	8.68	5.20	1.65
73,425	45	8,346	6,372	103	1,061	803	70	12.71	17.78	7.06	20.30
4,78,895	4	46,898	40,762	19	4,751	4,892	22	10.13	17.50	7.24	134.31
5,904	211	10,313	9,074	86	725	600	94	7.03	42.47	42.26	8.17
4,041	265	2,694	2,348	271	641	490	102	23.78	20.19	20.17	6.78
12,143	140	12,979	11,146	70	1,061	1,327	69	8.18	14.56	13.92	74.39
85,685	37	51,002	53,183	14	2,170	3,543	38	4.26	5.37	3.66	5.25
20,351	97	12,834	5,766	72	545	362	124	4.25	5.35	4.03	2.88
18,392	103	2,797	7,516	265	121	1,680	310	4.32	0.93	0.71	0.66
7,406	177	6,078	5,383	142	653	461	100	10.74	17.11	12.85	50.93
28,212	83	10,569	9,562	80	986	1,153	79	9.33	7.29	4.38	4.32
1,69,824	23	17,422	13,052	55	4,420	3,032	24	25.37	19.57	3.00	33.48
3,104	328	2,948	2,649	256	577	431	118	19.58	29.38	29.31	85.65
3,767	283	6,569	5,872	132	172	126	247	2.62	12.63	6.66	6.51
18,753	101	659	532	616	514	311	129	78.03	3.11	2.94	1.83
1,32,834	26	13,603	10,517	65	3,818	2,817	27	28.06	23.87	3.32	38.66
66,800	51	29,122	29,062	35	1,713	2,247	49	5.88	5.19	3.26	8.88
3,706	286	3,481	2,997	217	437	355	146	12.55	34.87	34.87	103.86
73,282	46	7,791	6,219	108	1,765	1,603	47	22.66	13.87	2.81	11.65
2,048	421	3,374	2,856	228	497	446	136	14.72	107.41	107.40	36.53
13,379	128	13,353	12,535	67	343	845	168	2.57	8.83	8.77	15.96
13,832	124	6,354	8,044	136	(162)	(3,052)	965	-2.56	-8.44	-2.49	4.16
1,490	494	3,811	3,620	200	447	482	143	11.74	71.39	71.33	9.05
2,937	342	1,832	1,971	361	695	772	95	37.93	27.62	27.62	17.63
48,336	58	6,566	5,894	133	1,361	1,258	56	20.72	20.75	3.99	59.98
5,810	214	3,797	3,435	202	499	658	135	13.13	18.24	11.68	22.79
5,979	210	7,014	4,122	118	619	210	106	8.82	26.30	14.92	124.87
54,706	53	39,128	34,900	26	1,801	1,626	46	4.60	9.51	4.98	80.73
99,104	35	9,599	7,166	90	1,301	977	58	13.55	24.81	5.71	36.27
4,12,674	6	37,644	33,946	29	2,872	3,283	32	7.63	13.21	7.25	64.83
3,915	273	2,172	1,689	318	394	265	157	18.15	16.75	13.65	14.03
4,52,603	5	37,097	33,092	30	2,749	2,678	33	7.41	12.95	5.00	46.14
7,275	181	4,745	4,378	171	940	878	81	19.81	15.82	15.76	48.15
25,493	90	3,960	2,831	195	883	621	86	22.29	23.84	4.37	15.52
3,608	290	3,517	3,018	214	429	337	150	12.20	27.55	19.46	5.93
2,574	367	3,625	3,017	210	461	335	140	12.71	29.69	26.81	8.87
12,929	133	67,078	69,596	9	71	122	411	0.11	5.05	1.15	1.38
3,199	320	2,193	1,929	315	611	546	111	27.88	25.86	25.39	46.06
13,649	127	10,491	9,082	81	423	345	151	4.03	6.75	4.01	35.19
4,362	250	3,354	2,831	232	309	231	182	9.22	12.17	9.28	21.89
3,700	287	5,168	4,587	160	764	591	91	14.78	34.50	34.50	27.57
5,511	218	438	129	707	311	71	181	71.16	9.04	7.43	1.83
46,126	60	14,186	13,679	63	501	1,026	134	3.53	3.97	1.42	2.13
3,449	303	4,861	3,982	167	470	317	139	9.66	32.49	19.74	7.99
3,571	292	2,957	2,603	255	623	184	105	21.06	132.72	35.34	30.53
6,930	193	8,033	7,818	106	137	185	288	1.71	5.35	5.03	6.48

*Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; ### 15 months ended June 2011; + 6 months ended March 2012; @ 9 months ended March 2013; @ 9 months ended March 2012; ### 9 months ended December 2012; $ 18 months ended Sep 2012; ^^ 12 months ended Dec 2012; ^ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @@ 12 months ended June 2012; ^^^ 12 months ended June 2011; ** 12 months ended Sep 2011; ## 12 months ended March 2010; ^^^ 12 months ended March 2009; << 12 months ended Dec 2011; << 18 months ended Mar. 2012; @@@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
101	97	Adani Power	11,548	10,991	5.1	19,735	11,831
102	87	LIC Housing Finance	11,133	12,846	(13.3)	10,866	13,014
103	96	Exide Industries	10,961	11,259	(2.6)	11,825	11,453
104	99	Union Bank of India	10,600	10,776	(1.6)	13,411	11,886
105	109	Bhushan Steel#	10,491	9,600	9.3	8,075	9,913
106	136	Emami	10,456	7,258	44.1	6,315	8,036
107	100	Bajaj Fin. serv	10,418	10,703	(2.7)	7,447	12,132
108	82	Neyveli Lignite Corpn	10,251	13,619	(24.7)	15,032	13,533
109	98	Petronet LNG#	9,726	10,979	(11.4)	11,709	11,360
110	91	IDBI Bank	9,694	11,859	(18.3)	11,231	12,449
111	102	Bharat Electronics	9,678	10,467	(7.5)	12,705	10,145
112	121	Godrej Industries	9,657	8,151	18.5	6,406	9,136
113	84	Reliance Infrastructure	9,634	13,371	(27.9)	13,533	13,120
114	164	ING Vysya Bank	9,523	5,494	73.3	4,636	6,686
115	120	Piramal Enterprises#	9,440	8,224	14.8	6,656	8,710
116	115	Bajaj Holdings & Investment	9,367	8,727	7.3	8,282	9,478
117	139	EssarOil#	9,332	7,196	29.7	12,338	8,594
118	158	Eicher Motors	9,029	5,712	58.1	4,028	6,397
119	133	Tata Global Beverages	8,896	7,402	20.2	6,049	8,393
120	134	P&G Hygiene & Health Care	8,879	7,294	21.7	6,268	7,745
121	125	Mphasis	8,555	8,018	6.7	8,125	8,069
122	118	Reliance Capital	8,413	8,423	(0.1)	10,471	9,455
123	142	Havells India#	8,412	7,040	19.5	5,142	7,456
124	101	Hindustan Petroleum Corpn	8,304	10,582	(21.5)	11,414	10,469
125	79	National Aluminium Company	8,179	14,543	(43.8)	17,775	13,314
126	124	SJVN	8,148	8,050	1.2	8,660	8,226
127	119	JSW Energy	8,125	8,260	(1.6)	9,748	9,293
128	151	Britannia Industries	7,906	6,178	28.0	5,504	6,037
129	174	Ipca Laboratories	7,829	4,759	64.5	3,785	5,399
130	178	Berger PaintsIndia△△	7,649	4,625	65.4	3,455	5,121
131	141	Crisil△△	7,589	7,054	7.6	5,785	6,946
132	NR	India Tourism Development Corpn	7,441	1,644	352.7	NA	9,181
133	56	Hindustan Copper#	7,267	23,939	(69.6)	23,253	19,818
134	122	Tata Chemicals	7,249	8,130	(10.8)	8,835	8,350
135	113	GMR Infrastructure	7,236	9,054	(20.1)	11,387	8,423
136	128	Jubilant Foodworks	7,113	7,768	(8.4)	5,447	7,946
137	130	Gillette India	6,973	7,671	(9.1)	6,595	7,523
138	160	Thermax#	6,951	5,651	23.0	6,189	6,306
139	123	Oberoi Realty	6,863	8,096	(15.2)	7,801	8,675
140	104	Mangalore Refinery & Petrochemicals	6,828	10,343	(34.0)	11,803	10,555
141	NL	Indiabulls Housing Finance	6,754	NA	NA	NA	NA
142	163	Torrent Pharmaceuticals	6,748	5,504	22.6	4,962	5,668
143	138	Federal Bank	6,634	7,229	(8.2)	6,899	7,822
144	157	Central Bank Of India	6,470	5,799	11.6	6,836	5,821
145	195	Bajaj Finance	6,354	3,950	60.9	2,483	4,868
146	165	Videocon Industries	6,295	5,413	16.3	5,492	5,862
147	171	Kansai Nerolac Paints#	6,232	4,895	27.3	4,667	5,322
148	162	United Phosphorus	6,209	5,521	12.5	6,746	5,539
149	144	Dish TV India	6,185	6,957	(11.1)	7,579	7,421
150	154	Syndicate Bank	6,182	5,986	3.3	6,093	6,757

IDBI BANK banking for all

IDBI ranks a modest no. 110 in market cap but is at no. 37 in terms of total income

JSW Energy saw a 400% increase in its net profit from last year

OVERALL RANKS

Rise

Fall

No Change

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
38,255	70	6,920	4,194	120	(1,952)	(294)	997	-28.21	-37.70	-5.97	-8.16
80,563	40	7,733	6,255	113	1,023	914	75	13.23	16.82	1.46	20.28
4,563	247	6,951	5,750	119	523	461	127	7.52	16.26	16.26	6.15
3,12,670	11	27,715	23,478	38	2,158	1,788	39	7.79	15.05	6.11	36.16
33,468	80	10,820	7,646	77	1,011	1,005	77	9.34	15.39	3.90	47.48
1,300	521	1,720	1,470	377	222	155	217	12.89	30.07	26.05	14.27
2,483	374	155	149	850	51	77	493	32.80	2.64	2.64	4.89
21,007	95	6,489	5,872	134	1,460	1,411	53	22.50	11.68	9.03	7.95
12,514	137	31,649	22,781	33	1,149	1,058	67	3.63	28.85	16.10	15.32
3,22,769	9	28,284	25,583	37	1,882	2,032	45	6.65	10.16	2.41	14.12
16,895	110	6,767	6,431	124	887	827	85	13.11	14.83	14.83	111.23
3,263	315	1,673	1,636	382	99	202	354	5.89	6.95	4.62	3.20
45,938	61	16,207	18,544	58	2,000	2,000	42	12.34	10.68	6.89	76.03
54,866	52	5,600	4,532	154	613	455	110	10.95	14.76	5.98	39.58
20,432	96	1,825	1,708	362	(232)	131	975	-12.69	-2.13	-1.67	-14.36
5,639	216	754	657	576	663	567	98	88.03	13.22	13.22	59.60
41,822	64	63,853	53,697	11	(1,285)	(252)	994	-2.01	-46.94	-6.57	-0.35
1,030	583	1,229	822	457	145	125	280	11.78	24.76	24.05	53.61
4,560	248	2,504	2,270	288	261	304	206	10.41	11.62	9.72	3.89
1,478	496	1,415	1,123	431	181	151	242	12.81	27.94	27.77	55.85
5,103	231	3,713	3,669	206	611	782	112	16.45	17.36	16.18	28.23
33,870	79	3,881	3,347	197	662	519	99	17.06	5.95	2.14	26.95
2,875	351	4,749	4,011	170	371	305	161	7.82	21.35	19.99	29.76
76,981	42	2,18,832	1,90,693	4	905	911	83	0.41	6.80	2.00	26.72
16,584	113	7,882	7,713	107	593	850	114	7.52	5.01	5.01	2.28
13,231	129	2,068	2,138	338	1,052	1,069	72	50.88	12.97	10.44	2.41
15,879	115	6,705	5,130	127	993	235	78	14.81	15.36	8.38	6.05
1,712	459	5,756	5,091	151	234	187	212	4.06	40.20	24.95	19.57
2,715	358	2,847	2,398	261	331	280	172	11.64	23.40	16.37	26.26
1,839	443	3,376	2,944	227	210	177	220	6.21	22.97	18.25	6.06
694	681	765	687	574	193	187	231	25.22	47.06	47.06	26.42
624	710	427	393	712	9	(9)	783	2.00	2.78	2.78	0.69
2,617	364	1,727	1,726	375	356	323	163	20.59	23.38	23.38	3.84
11,286	147	9,122	8,464	96	643	587	101	7.05	12.56	7.43	25.32
12,159	139	1,542	1,432	407	53	120	476	3.47	0.74	0.50	-0.06
663	696	1,433	1,037	423	135	106	292	9.43	36.73	35.52	20.70
1,535	487	1,284	1,109	451	76	86	400	5.90	12.42	12.41	23.24
4,271	253	4,969	5,625	166	350	407	165	7.04	20.17	19.18	29.37
3,454	302	745	554	580	327	255	174	43.93	13.78	13.78	9.98
26,773	88	69,005	57,565	8	(757)	909	991	-1.10	-11.06	-5.52	-4.57
39,583	69	4,728	804	173	1,228	250	63	25.97	41.66	5.57	39.29
3,379	307	2,907	2,216	259	546	311	123	18.80	36.98	25.63	32.74
71,050	48	6,874	6,091	122	838	777	87	12.19	13.90	7.80	49.00
2,68,342	12	23,697	20,545	42	1,015	533	76	4.28	10.52	3.78	9.72
17,830	106	3,187	2,253	242	591	406	115	18.56	21.90	4.01	118.79
32,008	81	13,026	14,719	69	540	739	125	4.14	5.59	2.17	17.82
2,074	417	3,512	3,045	215	292	216	189	8.32	24.88	23.44	32.90
7,110	187	4,335	3,656	182	208	227	222	4.80	6.07	3.97	4.70
3,156	324	2,289	2,016	305	(66)	(159)	949	-2.87	0.00	-4.67	-1.18
2,15,122	16	18,378	16,734	52	2,004	1,313	41	10.91	23.76	9.95	25.97

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ### 15 months ended June 2012; ##### 15 months ended June 2011; * 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended December 2012; $ 18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; ΔΔΔ 12 months ended June 2013; $$ 12 months ended March 2011; ** 12 months ended Sep 2012; @@ 12 months ended June 2012; @@@ 12 months ended June 2011; ** 12 months ended March 2010; ΩΩ 12 months ended March 2009; ## 12 months ended Dec 2011; ### 18 months ended Mar. 2012; @@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Bayer Cropscience's average market cap increased by 62% from last year. It rose by 56 ranks

OVERALL RANKS

Rise

Fall

No Change

Tv18 Broadcast climbed 242 ranks up to no. 195

Network 18

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
151	173	Biocon	6,034	4,804	25.6	6,447	5,201
152	143	Oriental Bank of Commerce	5,940	7,030	(15.5)	8,774	8,046
153	181	Jammu & Kashmir Bank	5,810	4,447	30.6	3,901	5,316
154	177	Blue Dart Express@@	5,805	4,649	24.9	3,725	4,706
155	192	Sundaram Finance	5,789	3,987	45.2	3,006	4,663
156	168	Sanofi India$\Delta\Delta$	5,720	5,031	13.7	4,967	5,149
157	129	Crompton Greaves	5,715	7,734	(26.1)	11,406	7,471
158	182	MRF$\Delta\Delta$	5,702	4,437	28.5	3,120	4,725
159	112	Jaiprakash Power Ventures	5,695	9,174	(37.9)	9,919	9,302
160	213	Shriram City Union Finance	5,648	3,550	59.1	2,728	4,335
161	155	Unitech	5,647	5,961	(5.3)	7,757	6,935
162	218	Bayer Cropscience	5,508	3,388	62.6	3,271	3,982
163	149	Tata Communications	5,410	6,583	(17.8)	6,058	6,636
164	132	Coromandel International	5,364	7,539	(28.9)	8,641	7,292
165	140	Bharat Forge	5,306	7,085	(25.1)	6,965	6,485
166	161	Bata India	5,305	5,623	(5.7)	3,915	5,521
167	169	Max India	5,264	5,008	5.1	4,449	5,682
168	224	Aurobindo Pharma	5,252	3,352	56.7	4,005	4,223
169	127	Engineers India	5,209	7,807	(33.3)	8,690	7,589
170	205	Prestige Estates Projects	5,176	3,752	38.0	3,499	4,678
171	153	Corporation Bank	5,164	6,003	(14.0)	6,854	6,133
172	117	Torrent Power	5,107	8,462	(39.7)	10,691	8,237
173	126	Indian Bank	5,017	7,954	(36.9)	9,272	7,995
174	137	Allahabad Bank	4,987	7,246	(31.2)	8,454	7,405
175	186	Strides Arcolab$\Delta\Delta$	4,973	4,357	14.2	2,341	5,063
176	203	Ramco Cements	4,930	3,782	30.4	2,502	4,544
177	148	Ashok Leyland	4,912	6,694	(26.6)	6,869	6,668
178	172	Uco Bank	4,899	4,862	0.8	4,928	4,882
179	150	Indian Overseas Bank	4,875	6,429	(24.2)	7,058	6,390
180	NL	Just Dial	4,794	NA	NA	NA	NA
181	166	Pipavav Defence & Offshore Engg. Co.	4,740	5,319	(10.9)	5,135	5,559
182	167	Religare Enterprises	4,695	5,036	(6.8)	6,044	4,748
183	196	Akzo Nobel India	4,661	3,882	20.1	3,178	4,172
184	225	Page Industries$$	4,535	3,347	35.5	2,549	3,546
185	255	Amara Raja Batteries	4,482	2,758	62.5	1,909	3,605
186	211	DB Corp	4,442	3,619	22.7	4,009	3,888
187	170	Muthoot Finance#	4,421	4,914	(10.0)	6,228	6,209
188	187	Karur Vysya Bank	4,386	4,353	0.8	4,144	4,780
189	152	Andhra Bank	4,275	6,077	(29.7)	6,838	6,084
190	242	Supreme IndustriesΔ	4,260	2,989	42.5	2,344	3,389
191	191	Fortis Healthcare#	4,259	4,052	5.1	5,366	4,166
192	188	Godrej Properties	4,187	4,341	(3.5)	4,734	4,535
193	265	IFCI	4,151	2,648	56.8	2,817	3,549
194	175	Indian Hotels Company#	4,032	4,723	(14.6)	5,404	4,876
195	437	Tv 18 Broadcast#	4,001	1,098	264.5	1,695	3,151
196	212	CESC#	3,967	3,600	10.2	3,473	3,707
197	223	Indraprastha Gas#	3,921	3,355	16.9	5,273	3,496
198	269	Hathway Cable & Datacom@	3,915	2,606	50.2	1,693	3,140
199	254	CMC$\Delta\Delta$	3,914	2,836	38.0	2,970	3,272
200	204	TTK Prestige	3,889	3,753	3.6	3,030	3,817

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
3,020	336	2,045	1,749	340	276	256	197	13.48	12.82	12.00	12.91
2,01,094	18	19,475	17,065	49	1,328	1,142	57	6.82	11.46	7.35	45.51
71,744	47	6,621	5,170	130	1,055	803	71	15.94	23.56	18.72	217.65
1,292	522	2,206	1,514	314	189	122	236	8.55	28.85	28.85	63.60
15,233	116	2,138	1,774	326	410	355	154	19.18	21.17	3.19	36.91
1,659	469	1,737	1,486	371	177	191	245	10.17	15.38	15.38	76.72
5,386	223	7,763	7,009	109	446	505	144	5.74	15.56	15.50	6.95
7,232	185	13,094	11,075	68	572	619	119	4.37	22.20	13.53	1349.54
27,058	87	2,314	1,703	302	329	338	173	14.23	5.53	1.47	1.12
16,191	114	3,083	2,056	249	450	343	142	14.58	22.69	3.38	81.13
25,216	91	1,526	1,777	409	152	327	272	9.96	1.56	1.04	0.75
3,375	308	4,113	2,408	189	1,162	139	66	28.25	85.29	85.29	-3.29
16,735	111	4,986	4,271	165	475	171	138	9.53	6.49	5.66	11.12
7,401	178	8,733	10,026	99	444	693	145	5.08	19.53	9.57	11.84
5,210	230	3,450	3,927	221	306	362	185	8.86	13.72	7.36	12.67
1,130	555	1,902	1,696	355	172	226	248	9.02	28.22	28.22	26.70
3,414	305	1,589	802	400	561	(15)	121	35.33	18.85	18.02	22.71
7,001	191	5,596	4,398	155	496	(43)	137	8.86	18.27	9.01	19.40
4,784	236	2,771	4,135	269	629	636	103	22.68	30.80	30.80	18.66
6,198	207	1,607	800	397	276	129	196	17.18	11.42	7.30	7.89
1,93,592	21	17,032	14,591	57	1,435	1,506	54	8.42	16.60	6.46	93.82
13,840	123	8,270	8,022	104	385	1,237	159	4.65	6.50	3.76	8.16
1,62,823	24	15,218	13,425	61	1,581	1,747	51	10.39	16.91	11.61	36.76
2,04,429	17	19,785	17,064	48	1,185	1,867	65	5.99	12.22	6.14	23.70
2,410	381	874	973	544	56	118	463	6.41	4.10	2.31	9.52
6,490	203	4,413	3,671	181	404	385	155	9.15	18.27	8.24	16.98
13,157	130	14,345	14,397	62	434	566	147	3.02	14.38	6.43	1.78
1,98,940	19	17,864	15,626	54	618	1,109	108	3.46	9.65	3.18	8.21
2,44,656	13	22,718	19,605	44	567	1,050	120	2.50	5.14	1.64	6.14
686	687	377	275	733	68	51	419	18.17	25.93	25.86	10.07
6,123	209	1,964	983	349	19	40	712	0.94	1.00	0.42	0.27
3,522	296	274	139	778	(761)	(816)	992	-277.44	-30.01	-23.63	-50.93
2,350	390	2,614	2,276	274	219	202	218	8.39	17.24	17.24	46.90
477	780	938	759	525	113	90	323	12.00	59.34	40.49	100.89
1,774	453	3,358	2,632	230	287	215	192	8.54	30.45	27.88	17.32
2,195	402	1,611	1,465	393	231	208	214	14.32	22.87	19.33	12.25
23,789	92	4,549	2,316	176	892	494	84	19.61	41.88	4.98	24.00
46,747	59	4,736	3,638	172	550	519	122	11.62	19.28	9.42	51.34
1,46,327	25	13,967	12,201	64	1,289	1,345	60	9.23	16.87	7.44	23.04
1,957	433	3,798	3,237	201	272	241	200	7.17	37.79	24.08	21.44
4,513	249	593	441	641	201	142	224	33.97	6.48	5.18	0.41
2,925	347	495	470	678	123	81	306	24.78	8.88	5.18	14.61
29,890	82	3,327	3,204	236	664	696	97	19.95	16.44	2.70	7.47
7,415	176	1,979	1,920	346	(277)	145	978	-13.98	-8.29	-4.66	1.34
3,887	275	570	687	649	10	9	771	1.79	0.49	0.40	0.06
14,534	118	5,669	4,897	153	619	554	106	10.91	12.03	7.23	49.47
3,022	335	3,758	2,821	203	354	306	164	9.42	26.02	19.04	25.29
2,035	423	682	580	606	3	(52)	811	0.47	0.40	0.24	0.60
1,439	500	1,167	1,000	471	198	143	226	16.99	25.95	25.95	65.47
793	651	1,391	1,127	432	133	113	294	9.57	39.35	30.56	117.35

Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; ### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended March 2012; ## 9 months ended December 2012; $ 18 months ended Sep 2012; ^^ 12 months ended Dec 2012; ^ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @@ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ** 12 months ended Dec 2011; ^^ 18 months ended Mar. 2012; @@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

BT 500 INDIA'S MOST VALUABLE COMPANIES/ The Top 500

OVERALL RANKS

Rise

Fall

No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
201	262	Gruh Finance	3,873	2,703	43.3	1,801	3,237
202	185	3M India	3,850	4,388	(12.3)	4,506	4,374
203	240	Jet Airways (India)	3,813	3,032	25.8	2,910	3,716
204	277	Mindtree	3,800	2,547	49.2	1,587	2,807
205	156	Gujarat Mineral Development Corpn	3,790	5,876	(35.5)	5,298	6,091
206	189	Apollo Tyres	3,769	4,329	(12.9)	3,408	4,332
207	146	Jaypee Infratech#	3,727	6,780	(45.0)	6,710	6,755
208	314	Bajaj Corp*	3,727	2,049	81.9	1,622	2,629
209	327	Vakrangee Softwares	3,696	1,893	95.2	952	2,471
210	190	Alstom T&D India	3,658	4,259	(14.1)	5,228	4,344
211	199	Great Eastern Shipping Company	3,583	3,833	(6.5)	3,795	3,825
212	198	Info Edge (India)	3,573	3,866	(7.6)	3,712	3,855
213	261	Phoenix Mills	3,553	2,725	30.4	2,878	3,083
214	159	Multi Commodity Exchange of India	3,544	5,653	(37.3)	6,467	6,224
215	280	Cholamandalam Investment & Fin. Co.	3,510	2,517	39.4	1,847	3,029
216	183	MOIL$\Delta\Delta$	3,498	4,429	(21.0)	4,972	4,312
217	504	Network 18 Media & Investment	3,358	777	332.3	1,180	2,330
218	256	Trent	3,339	2,755	21.2	2,295	3,287
219	197	Rajesh Exports#	3,320	3,876	(14.3)	3,495	3,840
220	232	Sobha Developers*	3,289	3,233	1.7	2,470	3,511
221	200	Essar Ports#	3,256	3,832	(15.0)	3,439	3,889
222	180	IRB Infrastructure Developers	3,248	4,492	(27.7)	5,548	4,362
223	194	Gujarat State Petronet	3,234	3,956	(18.3)	5,214	4,048
224	228	Mcleod Russel India	3,191	3,276	(2.6)	2,633	3,510
225	250	Bank Of Maharashtra	3,161	2,866	10.3	2,490	3,061
226	206	Pfizer	3,144	3,647	(13.8)	3,844	3,520
227	353	Sun Pharma Advanced Research Co.	3,119	1,606	94.2	1,693	2,138
228	179	EIH$\Delta\Delta$	3,108	4,568	(32.0)	4,937	4,292
229	NR	Westlife Development#	3,107	141	2,099.6	74	373
230	247	Shoppers Stop#	3,048	2,882	5.8	2,998	3,171
231	244	Gitanjali Gems	3,026	2,947	2.7	2,817	3,797
232	263	South Indian Bank	3,026	2,696	12.2	2,616	3,025
233	388	Indian Infotech & Software#	3,023	1,341	125.4	14	1,760
234	243	Wabco India	3,003	2,968	1.2	2,344	2,955
235	226	Bombay Rayon Fashions	3,000	3,312	(9.4)	3,668	3,369
236	231	Abbott India$\Delta\Delta$	2,987	3,261	(8.4)	2,682	3,164
237	208	Hexaware Technologies$\Delta\Delta$	2,976	3,630	(18.0)	2,423	3,235
238	233	AIA Engineering	2,957	3,220	(8.2)	3,138	3,207
239	184	Gujarat Fluorochemicals	2,938	4,421	(33.5)	4,871	3,974
240	216	IL&FS Transportation Networks	2,907	3,442	(15.5)	3,813	3,625
241	248	Jagran Prakashan	2,903	2,873	1.0	3,449	3,053
242	215	Godfrey Phillips India#	2,891	3,486	(17.1)	2,934	3,432
243	324	Jyothy Laboratories	2,842	1,922	47.8	1,475	2,277
244	193	Gujarat Gas Company	2,837	3,979	(28.7)	5,060	3,892
245	273	Indiabulls Real Estate#	2,790	2,576	8.3	3,602	2,731
246	312	City Union Bank	2,741	2,051	33.6	1,830	2,463
247	222	SKF India	2,736	3,365	(18.7)	3,343	3,276
248	236	Redington (India)	2,711	3,119	(13.1)	3,452	3,224
249	274	State Bank of Bikaner & Jaipur	2,707	2,574	5.2	3,006	2,778
250	281	Rallis India	2,704	2,517	7.4	2,855	2,621

Westlife Development which has the West&South franchisees for McDonald's grew exponentially (2100%) in terms of market cap

Jyothy Laboratories jumped 81 ranks, its market cap increasing by almost 50%

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
5,827	213	655	517	618	146	109	276	22.26	33.29	3.03	8.17
1,080	568	1,663	1,477	388	52	65	484	3.14	8.29	6.92	46.92
19,554	99	18,233	15,762	53	(486)	(1,236)	985	-2.66	0.00	-4.23	-106.82
1,696	464	2,397	1,954	299	339	219	170	14.14	29.84	28.63	81.59
3,818	280	1,904	1,772	354	601	487	113	31.56	26.23	26.23	19.54
6,570	199	9,539	8,952	91	313	181	180	3.28	14.26	7.24	6.20
19,375	100	3,292	3,181	238	694	1,290	96	21.09	11.62	5.11	5.00
556	746	647	511	621	167	120	255	25.88	36.72	36.72	11.35
1,359	512	1,564	1,356	402	109	68	326	6.99	23.51	11.36	2.17
4,687	241	3,366	4,460	229	84	162	382	2.50	9.47	6.03	2.81
9,752	152	2,038	2,039	342	146	143	275	7.18	2.89	1.66	5.97
1,101	560	484	417	683	102	123	342	21.14	16.49	16.47	11.83
2,279	397	327	272	750	134	105	293	40.93	7.83	6.70	9.24
2,290	396	646	634	623	299	286	187	46.26	27.73	27.73	58.56
18,483	102	2,601	2,018	276	307	173	183	11.78	18.13	2.04	21.42
3,156	325	1,210	1,109	460	432	411	149	35.67	16.58	16.58	25.70
4,245	256	370	265	738	(30)	(192)	931	-8.09	-1.37	-0.99	-0.56
2,093	412	1,053	974	500	62	47	439	5.91	4.33	3.71	19.42
11,973	142	25,850	20,864	41	412	248	153	1.60	23.01	8.80	13.79
4,685	242	1,818	1,408	363	197	201	228	10.81	9.55	6.18	20.06
3,825	279	53	659	915	(71)	21	952	-135.08	-2.64	-2.07	-1.73
4,725	239	2,246	1,453	311	187	166	238	8.34	12.13	5.69	5.64
5,255	227	1,239	1,175	455	538	522	126	43.42	19.90	12.79	9.56
2,416	380	1,429	1,289	426	226	220	216	15.80	19.30	16.69	20.29
1,17,054	28	10,593	7,910	79	760	431	92	7.17	19.14	5.25	11.48
2,080	415	1,619	1,226	392	503	185	131	31.09	33.56	33.56	40.44
227	886	89	30	891	(22)	(72)	925	-25.30	-111.95	-23.73	-0.95
3,459	301	1,180	1,180	468	51	122	492	4.32	2.12	1.86	1.36
16	979	2	0	963	(1)	0	893	-56.57	-6.10	-6.10	-0.06
1,442	499	2,582	2,211	279	39	64	560	1.52	5.79	4.04	4.81
8,894	160	10,443	7,836	84	265	258	204	2.54	9.92	4.83	28.79
49,795	57	4,778	3,838	169	502	402	132	10.51	21.11	15.15	3.99
165	905	0	0	980	0	(2)	864	9.30	0.05	0.05	0.01
806	644	1,077	1,155	490	131	153	296	12.14	22.21	22.21	68.95
8,289	168	3,219	2,752	240	189	207	235	5.86	6.14	2.76	15.06
1,559	481	1,723	1,524	376	145	121	281	8.40	24.30	24.30	54.41
1,319	520	959	757	518	286	232	194	29.77	30.99	30.99	9.63
1,431	501	1,663	1,330	386	169	151	252	10.17	16.56	15.26	17.93
3,731	284	1,737	2,150	372	398	432	156	22.93	17.20	12.54	36.28
7,250	183	3,568	2,912	211	271	252	201	7.60	13.33	5.15	13.96
1,823	446	1,290	1,139	449	180	206	244	13.92	24.75	18.19	5.68
1,823	445	3,675	3,419	207	169	181	251	4.61	17.27	13.06	162.98
1,605	476	1,116	746	479	44	84	529	3.95	6.30	3.44	2.84
2,424	379	3,215	2,508	241	287	274	193	8.92	33.58	33.30	22.35
6,933	192	223	174	812	14	46	736	6.49	0.24	0.20	0.30
22,977	93	2,462	1,913	294	322	280	178	13.08	22.33	17.36	5.98
1,615	474	2,473	2,640	291	190	208	234	7.69	17.55	17.55	34.86
2,842	353	10,465	9,877	83	171	157	250	1.64	17.36	10.66	4.29
86,158	36	8,226	6,892	105	730	652	93	8.88	16.36	8.24	104.32
1,092	563	1,433	1,271	422	119	101	312	8.33	20.32	17.36	6.14

*Ranks as published in last year's BT500; Parameter ranks are for within the top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; ### 15 months ended June 2011; ^ 6 months ended March 2012; @ 9 months ended March 2013; $ 9 months ended March 2012; ### 9 months ended December 2012; $ 18 months ended Sep 2012; ^^ 12 months ended Dec 2012; ^ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended Sep 2011; ## 12 months ended March 2010; @@ 12 months ended March 2009; ## 12 months ended Dec 2011; ## 18 months ended Mar. 2012; @@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

VST Industries' ROCE is a robust 43%

OVERALL RANKS

Rise

Fall

No Change

Suzlon Energy's woes continue. It slid 76 positions from last year to no. 296

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
251	257	Tube Investments Of India	2,698	2,748	(1.8)	2,508	3,023
252	366	Den Networks	2,696	1,500	79.7	1,024	2,053
253	282	Era Infra Engineering	2,653	2,516	5.5	2,856	2,497
254	219	Financial Technologies(India)	2,628	3,382	(22.3)	3,496	4,046
255	210	Voltas	2,624	3,623	(27.6)	4,096	3,502
256	436	Alembic Pharmaceuticals	2,553	1,111	129.7	790	1,259
257	267	Omaxe#	2,512	2,629	(4.5)	2,408	2,698
258	297	State Bank of Mysore	2,504	2,278	10.0	2,655	2,530
259	241	Jain Irrigation Systems	2,503	3,013	(16.9)	5,344	3,022
260	229	Dena Bank	2,481	3,269	(24.1)	2,716	3,522
261	301	Kirloskar Oil Engines	2,464	2,211	11.4	1,922	2,496
262	246	Century Textiles & Industries@	2,446	2,916	(16.1)	2,879	3,241
263	278	State Bank of Travancore	2,445	2,544	(3.9)	3,144	2,643
264	272	BASF India	2,398	2,585	(7.2)	2,469	2,733
265	299	Sunteck Realty	2,396	2,233	7.3	2,042	2,433
266	259	VST Industries	2,392	2,729	(12.3)	1,759	2,729
267	217	EID-Parry (India)	2,389	3,409	(29.9)	3,833	3,439
268	214	Future Retail^^	2,380	3,527	(32.5)	4,641	4,055
269	288	Responsive Industries	2,380	2,453	(3.0)	2,648	2,469
270	253	Whirlpool of India	2,357	2,846	(17.2)	2,696	3,003
271	266	Balkrishna Industries	2,333	2,647	(11.9)	1,685	2,643
272	294	Edelweiss Financial Services	2,332	2,335	(0.1)	2,306	2,492
273	313	KPIT Technologies	2,290	2,050	11.7	1,434	2,087
274	340	Tata Coffee	2,272	1,711	32.8	1,561	2,135
275	289	HT Media	2,257	2,411	(6.4)	3,378	2,402
276	284	Gujarat Pipavav Port	2,251	2,474	(9.0)	2,648	2,386
277	260	Vijaya Bank	2,238	2,727	(17.9)	2,942	2,776
278	275	FAG Bearings India△△	2,237	2,566	(12.8)	2,003	2,636
279	279	Alstom India	2,237	2,521	(11.3)	3,219	2,545
280	285	TataInvestment Corpn	2,235	2,464	(9.3)	2,577	2,473
281	207	Linde India	2,217	3,640	(39.1)	2,673	3,392
282	362	Zydus Wellness	2,203	1,539	43.2	2,025	1,695
283	235	Gujarat State Fertilizers & Chem△△	2,197	3,160	(30.5)	3,151	2,945
284	344	Karnataka Bank	2,179	1,668	30.6	1,846	2,246
285	309	Eclerx Services	2,169	2,078	4.3	2,169	2,047
286	320	Lakshmi Machine Works	2,164	1,932	12.0	2,160	2,148
287	296	Honeywell Automation India#	2,149	2,293	(6.3)	2,125	2,298
288	368	Persistent Systems	2,145	1,487	44.2	1,345	1,761
289	290	MahindraHolidays & Resorts India	2,140	2,409	(11.1)	2,790	2,471
290	251	Carborundum Universal	2,134	2,859	(25.3)	2,742	2,786
291	238	HMT	2,131	3,066	(30.5)	3,638	3,043
292	NR	Pine Animation	2,112	NA	NA	NA	1,222
293	497	Ajanta Pharma	2,111	805	162.1	378	952
294	258	Amtek India@	2,091	2,732	(23.5)	1,926	2,739
295	841	Rasoya Proteins	2,065	270	664.1	539	672
296	220	Suzlon Energy	2,032	3,369	(39.7)	6,680	3,311
297	322	Arvind	2,021	1,926	4.9	2,148	2,091
298	249	Jubilant Life Sciences	2,009	2,872	(30.0)	2,976	3,107
299	440	Kaveri Seed Company	1,993	1,051	89.6	617	1,388
300	325	Infotech Enterprises	1,963	1,913	2.6	1,489	1,968

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
3,158	323	3,859	3,880	198	105	182	336	2.72	9.16	4.75	5.77
1,829	444	727	452	588	45	8	522	6.19	5.73	3.49	3.59
7,770	174	4,702	4,384	174	168	161	253	3.58	8.99	2.79	9.25
3,600	291	660	871	614	323	478	177	48.89	12.77	10.38	70.07
4,142	260	5,848	5,440	148	180	152	243	3.08	12.65	11.13	7.41
1,108	559	1,515	1,396	411	157	121	267	10.39	38.37	23.15	8.35
4,118	261	1,349	1,160	437	63	63	437	4.66	4.27	2.20	3.62
67,260	50	6,581	5,651	131	415	368	152	6.30	11.77	5.41	78.80
6,850	196	3,673	3,947	208	30	268	624	0.82	1.42	0.61	0.69
1,13,440	30	9,652	7,515	89	810	803	90	8.40	18.49	7.70	23.15
1,789	451	2,600	2,581	277	199	192	225	7.65	18.19	16.88	15.07
9,105	157	6,646	5,463	128	(34)	22	935	-0.52	-1.86	-0.55	-5.52
1,01,670	33	9,297	7,649	93	615	510	109	6.62	16.27	5.14	123.01
2,849	352	4,251	3,745	183	114	101	320	2.68	10.41	8.28	28.56
575	737	39	27	921	7	12	790	18.18	1.90	1.43	1.45
758	660	1,652	1,630	390	126	143	301	7.64	43.03	43.03	81.76
4,016	266	2,423	1,754	297	332	137	171	13.69	25.98	12.58	3.75
8,689	162	7,752	4,345	112	274	77	198	3.54	8.25	3.93	8.45
1,097	562	1,560	1,114	403	47	49	511	3.03	11.59	4.93	1.77
1,398	505	3,147	2,877	244	128	124	300	4.06	23.65	23.65	10.11
3,992	269	3,224	2,848	239	356	265	162	11.04	28.48	11.39	36.81
2,372	384	160	209	845	47	70	514	29.23	3.45	1.54	0.61
1,351	515	724	629	589	103	75	341	14.23	13.73	10.73	5.44
808	642	623	530	631	94	79	367	15.05	19.09	16.11	55.30
2,311	392	1,424	1,389	429	24	160	666	1.70	1.85	1.45	7.40
1,932	435	431	412	710	74	57	404	17.14	7.38	4.93	1.53
1,10,982	31	9,762	8,599	87	586	581	117	6.00	16.10	5.45	11.63
1,152	551	1,605	1,430	398	159	176	264	9.92	19.83	19.83	95.79
3,257	316	2,967	2,539	254	184	168	240	6.19	24.47	24.42	27.33
2,094	411	207	204	821	167	162	256	80.88	8.57	8.57	30.34
3,469	299	1,490	1,232	416	89	122	375	6.00	6.90	3.95	1.94
372	826	229	264	802	97	68	358	42.39	43.80	43.80	24.85
7,100	189	6,641	5,673	129	518	758	128	7.80	13.89	10.82	13.00
41,526	65	4,195	3,447	186	348	246	166	8.30	12.76	8.51	18.48
559	745	580	495	644	156	157	270	26.89	41.80	41.80	52.86
1,795	450	2,317	2,486	301	117	137	313	5.07	12.64	12.64	104.27
1,491	493	1,704	1,652	381	85	107	377	5.00	12.76	12.76	96.33
1,174	543	1,036	843	502	182	137	241	17.56	19.72	19.70	45.45
2,247	398	716	637	591	107	105	330	14.94	17.78	17.74	12.64
1,030	582	1,207	1,234	463	75	147	402	6.17	11.33	9.27	3.98
1,553	483	212	260	819	(82)	(79)	957	-38.84	-61.39	-6.67	-1.08
0.4	998	0	0	991	(0)	0	880	-77.78	-16.47	-15.73	-0.02
676	690	853	614	548	101	66	348	11.86	32.20	21.47	33.27
5,361	224	1,888	1,437	357	156	114	269	8.28	8.04	3.63	6.11
733	669	954	809	520	21	17	692	2.17	6.66	3.87	0.12
17,523	109	2,150	7,219	324	(2,990)	(505)	998	-139.07	-72.59	-23.02	-13.58
5,483	219	3,984	3,942	193	261	434	205	6.56	13.92	6.83	8.49
6,589	198	3,293	2,773	237	(43)	(81)	939	-1.32	-2.29	-0.91	-2.65
592	726	375	240	735	58	42	455	15.49	26.98	24.19	46.26
1,405	504	1,091	935	485	184	159	239	16.90	16.74	16.74	16.68

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ### 15 months ended June 2012; ##### 15 months ended June 2011; * 6 months ended March 2012; @ 9 months ended March 2013; @@ 9 months ended March 2012; ### 9 months ended December 2012; $ 18 months ended Sep 2012; $$ 12 months ended June 2013; ^ 12 months ended March 2011; *^ 12 months ended Sep 2012; @@@ 12 months ended June 2012; ** 12 months ended June 2011; **^ 12 months ended Sep 2011; ^^ 12 months ended March 2010; ^^^ 12 months ended March 2009; ## 12 months ended Dec 2011; ### 18 months ended Mar. 2012; @@@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Lanco Infratech has very low return on capital employed

OVERALL RANKS

Rise

Fall

No Change

Amtek Auto slipped 58 positions to no. 350

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
301	234	Indiabulls Power	1,957	3,196	(38.8)	3,226	3,235
302	268	India Cements	1,953	2,607	(25.1)	2,482	2,663
303	339	Fresenius Kabi Oncology	1,941	1,714	13.3	1,810	1,654
304	306	Dewan Housing Finance Corpn	1,934	2,146	(9.9)	2,369	2,206
305	300	KSK Energy Ventures	1,931	2,228	(13.3)	3,227	2,197
306	237	Rashtriya Chemicals & Fertilizers	1,910	3,100	(38.4)	3,931	2,991
307	245	Ruchi Soya Industries	1,902	2,929	(35.1)	3,333	2,579
308	227	Lanco Infratech$$	1,872	3,299	(43.2)	5,027	3,195
309	176	Astrazeneca Pharma India	1,863	4,670	(60.1)	3,534	3,988
310	379	Puravankara Projects	1,836	1,384	32.6	1,646	1,677
311	NL	Credit Analysis & Research	1,822	NA	na	NA	2,434
312	331	Birla Corpn	1,796	1,811	(0.8)	2,419	1,994
313	374	Vardhman Textiles	1,794	1,421	26.2	1,327	1,525
314	397	PI Industries	1,782	1,287	38.4	1,194	1,396
315	230	Housing Development & Infrastructure	1,768	3,265	(45.8)	4,790	3,588
316	283	Prism Cement	1,762	2,513	(29.9)	2,308	2,492
317	NL	PC Jeweller	1,756	NA	na	NA	2,548
318	NR	India Power Corpn	1,752	1,452	20.7	1,086	1,619
319	370	Triveni Turbine	1,741	1,475	18.0	1,269	1,630
320	304	United Bank of India	1,735	2,182	(20.5)	2,727	2,345
321	NR	Global Infratech & Finance∆∆	1,716	42	4,024.1	3	228
322	239	Chambal Fertilisers & Chemicals	1,709	3,036	(43.7)	3,622	2,879
323	201	National Fertilizers	1,702	3,810	(55.3)	4,023	3,684
324	209	Jindal Saw	1,699	3,626	(53.2)	4,123	3,363
325	326	Bajaj Electricals	1,689	1,900	(11.1)	2,028	1,939
326	387	Mahindra Lifespace Developers	1,686	1,344	25.5	1,313	1,504
327	447	JM Financial	1,682	1,022	64.6	1,435	1,222
328	270	Shipping Corporation of India#	1,679	2,600	(35.4)	3,824	2,525
329	311	Wyeth	1,673	2,057	(18.7)	2,085	2,032
330	351	India Infoline	1,671	1,622	3.1	2,024	1,895
331	401	Kajaria Ceramics	1,669	1,272	31.2	798	1,437
332	355	Solar Industries India#	1,665	1,578	5.6	1,263	1,685
333	644	Ess Dee Aluminium	1,659	452	266.7	829	730
334	316	Schneider Electric Infrastructure##	1,640	2,009	(18.3)	1,579	2,029
335	NR	Sunrise Asian#	1,635	NA	na	23	133
336	365	Anant Raj	1,627	1,506	8.0	1,881	1,961
337	332	TVS Motor Company	1,620	1,797	(9.8)	2,580	1,861
338	349	NIIT Technologies∆∆	1,608	1,661	(3.2)	1,218	1,642
339	412	Magma Fincorp#	1,588	1,220	30.1	1,144	1,362
340	394	SE Investments	1,576	1,318	19.5	693	1,408
341	367	FDC	1,573	1,491	5.5	1,650	1,564
342	874	Luminaire Technologies$$	1,572	249	530.7	28	823
343	430	Natco Pharma#	1,571	1,140	37.8	765	1,241
344	336	Greaves Cotton	1,565	1,737	(9.9)	2,083	1,806
345	NR	Kailash Auto Finance	1,555	NA	na	NA	6
346	334	Hindusthan National Glass & Industries	1,549	1,752	(11.6)	1,623	1,737
347	432	National Buildings Construction Corpn	1,548	1,123	37.9	na	1,466
348	407	JK Cement	1,543	1,251	23.3	811	1,678
349	292	Novartis India	1,536	2,340	(34.3)	2,459	2,211
350	293	Amtek Auto@	1,535	2,338	(34.3)	3,139	1,999

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
7,775	173	75	30	895	52	10	483	70.01	1.22	1.01	0.24
8,832	161	5,232	4,742	159	164	293	260	3.13	4.52	2.53	5.98
1,168	546	633	590	629	81	51	385	12.73	12.73	10.38	5.52
35,850	74	4,140	2,470	187	452	306	141	10.91	17.15	1.60	35.24
3,998	268	148	173	854	13	1	745	8.99	0.51	0.37	0.36
5,898	212	7,203	6,752	117	281	249	195	3.90	12.44	7.50	5.55
14,562	117	26,579	26,281	39	236	122	210	0.89	10.39	3.11	7.33
19,832	98	4,832	8,908	168	13	116	743	0.28	0.37	0.16	0.04
311	850	410	565	720	(90)	20	958	-21.84	-61.95	-61.34	-38.58
3,093	329	536	423	665	47	84	510	8.85	3.18	1.73	2.12
712	678	227	207	807	113	108	322	49.84	28.30	28.30	39.69
4,584	245	3,110	2,709	248	270	239	202	8.68	11.59	7.71	35.04
6,548	201	4,245	4,003	184	325	111	176	7.65	15.21	6.54	50.86
1,238	533	1,322	1,036	441	96	101	359	7.29	22.93	14.74	7.11
16,686	112	1,154	1,067	472	145	397	278	12.58	1.44	1.07	14.02
4,205	258	5,157	4,852	161	(59)	(30)	946	-1.15	-5.31	-2.31	-1.68
1,098	561	1,997	998	344	145	66	279	7.26	57.43	39.77	32.48
1,519	488	659	545	615	28	12	641	4.19	5.04	3.71	0.28
452	794	696	669	604	107	91	331	15.31	102.91	85.31	3.23
1,14,615	29	10,318	8,724	85	392	633	158	3.80	9.12	3.91	7.75
21	969	0	0	986	0	0	858	34.78	0.70	0.70	0.01
8,467	166	7,452	6,676	114	306	247	184	4.10	16.63	4.95	7.05
11,376	145	6,783	7,404	123	(175)	127	968	-2.58	-6.05	-2.43	-2.31
8,288	169	5,933	5,574	145	193	226	232	3.25	5.30	2.95	7.00
2,209	401	3,454	3,144	220	51	118	490	1.48	7.26	5.73	2.66
2,055	420	422	521	713	97	120	356	23.09	8.44	6.75	23.87
1,773	454	56	63	911	45	43	523	79.75	2.75	2.75	0.60
14,107	121	4,542	4,035	177	(428)	567	982	-9.43	-6.16	-3.43	-15.33
810	641	727	640	587	130	145	297	17.88	24.80	24.69	57.24
2,370	385	552	639	659	96	63	361	17.37	7.41	7.36	3.25
928	605	1,711	1,403	379	101	81	350	5.88	31.49	18.34	14.08
712	677	987	803	517	76	61	399	7.68	22.79	13.40	47.61
1,374	508	789	701	569	76	60	398	9.68	10.74	7.16	23.24
1,358	513	1,425	1,456	428	(28)	40	929	-2.00	-11.26	-5.85	-0.77
1	995	0	1	981	(0)	0	874	-2.63	0.00	0.00	-0.02
5,472	221	536	335	664	100	109	351	18.60	2.63	1.95	3.43
3,189	321	7,761	7,749	110	116	246	316	1.49	9.67	6.00	4.35
1,183	540	1,141	858	475	168	113	254	14.71	23.91	23.63	27.87
11,818	143	1,609	1,025	394	123	63	305	7.63	12.39	1.38	6.46
1,155	550	211	181	820	70	59	412	33.27	19.79	8.77	17.34
969	595	828	741	551	158	133	266	19.12	21.61	21.56	8.79
1	994	NA	0	na	(0)	(0)	885	NA	-27.27	-19.27	-0.09
893	614	452	359	699	62	52	440	13.74	15.26	9.59	19.95
1,430	502	2,113	2,010	333	138	185	286	6.53	19.95	19.63	6.19
1	996	0	0	985	(0)	(0)	883	-83.33	0.00	0.00	-19.18
3,867	277	2,107	1,735	334	91	86	373	4.31	8.50	3.75	10.40
4,002	267	3,348	3,602	234	208	190	223	6.20	23.77	23.77	17.78
3,939	272	3,400	2,939	224	234	177	213	6.87	16.93	8.90	33.40
1,974	432	999	933	513	120	152	311	11.98	13.94	13.90	37.46
9,621	155	2,454	1,960	295	292	82	190	11.88	6.74	3.66	13.34

*Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ### 15 months ended June 2012; ##### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended December 2012; $ 18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; «« 12 months ended Dec 2011; ## 18 months ended Mar. 2012; ### 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Finolex Industries market cap increased by 104%. Rank up by 161

OVERALL RANKS

Rise

Fall

No Change

The gold loan business has lost its lustre. Manappuram Finance's market cap almost halved from last year

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
351	329	Cox & Kings	1,535	1,885	(18.6)	2,658	1,871
352	859	Out Of City Travel Solutions#	1,520	260	485.3	443	826
353	295	Raymond	1,520	2,313	(34.3)	2,200	2,349
354	335	PTC India	1,518	1,750	(13.2)	1,986	1,915
355	348	Nava Bharat Ventures	1,518	1,662	(8.7)	1,706	1,642
356	319	DB Realty	1,504	1,934	(22.2)	1,760	2,365
357	357	Radico Khaitan	1,504	1,570	(4.2)	1,657	1,687
358	518	LS Industries∆∆	1,500	735	104.2	742	952
359	486	V-Guard Industries	1,490	839	77.6	589	1,126
360	386	Unichem Laboratories	1,489	1,344	10.8	1,309	1,504
361	328	ABG Shipyard	1,489	1,886	(21.0)	1,978	1,872
362	364	SpiceJet	1,476	1,537	(4.0)	1,157	1,729
363	524	Finolex Industries	1,474	723	103.9	826	807
364	286	Maharashtra Seamless*	1,447	2,459	(41.1)	2,488	2,201
365	NR	Cressanda Solutions	1,444	7	21,079.2	6	73
366	NR	Unno Industries#	1,439	38	3,657.0	16	216
367	342	Graphite India	1,438	1,688	(14.8)	1,600	1,650
368	352	Blue Star	1,399	1,607	(12.9)	2,188	1,626
369	667	PVR	1,391	424	228.3	322	655
370	302	Parsvnath Developers	1,391	2,198	(36.7)	2,287	1,976
371	NL	Repco Home Finance	1,388	NA	na	NA	NA
372	287	Tata Teleservices (Maharashtra)	1,386	2,458	(43.6)	3,175	2,293
373	391	Navneet Education	1,378	1,327	3.9	1,448	1,395
374	330	Fertilisers & Chemicals, Travancore#	1,374	1,853	(25.8)	2,253	1,828
375	310	Sadbhav Engineering	1,358	2,062	(34.1)	1,974	2,011
376	475	Hatsun Agro Products	1,357	909	49.3	748	923
377	298	Orissa Minerals Development Co.#	1,346	2,264	(40.5)	2,683	2,276
378	376	Delta Corp	1,345	1,408	(4.5)	1,859	1,497
379	NR	Anukaran Commercial Enterprises#	1,342	91	1,378.1	19	710
380	433	Rupa & Company#	1,342	1,121	19.7	1,163	1,144
381	315	Bombay Dyeing & Manufacturing Co.	1,334	2,046	(34.8)	1,566	2,185
382	354	Eros International Media	1,334	1,598	(16.5)	1,824	1,657
383	375	Grindwell Norton	1,323	1,413	(6.4)	1,333	1,428
384	308	Shree Renuka Sugars#	1,320	2,095	(37.0)	3,451	2,060
385	356	Punjab & Sind Bank	1,320	1,575	(16.2)	1,843	1,595
386	402	Rain Industries∆∆	1,319	1,263	4.5	1,152	1,287
387	392	Thomas Cook (India)	1,316	1,324	(0.6)	1,025	1,271
388	423	Nitin Fire Protection Industries	1,311	1,166	12.4	725	1,305
389	NR	SRK Industries	1,307	1	11,08,785.8	1	6
390	276	Manappuram Finance	1,289	2,563	(49.7)	4,520	2,834
391	318	Chennai Petroleum Corpn	1,285	1,974	(34.9)	2,946	1,978
392	515	Tribhovandas Bhimji Zaveri	1,282	736	74.1	NA	1,146
393	435	Agro Tech Foods∆∆	1,279	1,114	14.8	960	1,130
394	489	SKS Microfinance	1,271	828	53.4	1,849	1,191
395	390	Future Ventures India	1,264	1,328	(4.8)	1,402	1,430
396	473	Gujarat Alkalies & Chemicals	1,259	918	37.1	1,015	985
397	NL	Pantaloons Fashion & Retail	1,255	NA	na	NA	NA
398	403	Elgi Equipments	1,245	1,267	(1.7)	1,186	1,321
399	350	Clariant Chemicals (India)	1,240	1,651	(24.9)	1,816	1,626
400	303	GVK Power & Infrastructure	1,238	2,187	(43.4)	2,769	2,113

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
2,026	426	396	328	726	53	78	478	13.47	4.76	2.63	3.91
18	976	1	2	968	(1)	0	892	-85.26	-4.63	-4.59	-0.07
3,358	309	2,172	1,996	319	(48)	56	944	-2.20	-4.48	-2.00	-8.06
3,794	281	8,783	7,623	97	129	120	299	1.47	5.63	5.63	4.29
2,671	363	1,208	1,062	462	238	181	209	19.73	10.78	9.96	27.32
3,553	293	127	361	866	63	256	431	49.77	1.87	1.80	2.41
1,822	448	2,513	1,998	286	77	64	394	3.08	11.21	5.53	5.81
131	921	133	3	863	3	(1)	812	2.38	4.90	4.07	0.32
659	700	1,390	980	433	63	51	436	4.53	26.66	16.85	21.08
1,145	553	1,027	818	506	130	82	298	12.62	16.81	15.98	14.32
10,700	149	2,149	2,433	325	107	180	329	4.98	7.27	2.06	21.04
3,072	331	5,805	4,019	149	(191)	(606)	971	-3.29	0.00	-15.43	-4.21
2,042	422	2,472	2,352	292	136	75	289	5.51	19.68	14.16	10.97
3,106	327	1,909	2,505	353	153	311	271	8.03	7.13	6.86	21.74
54	948	1	8	967	0	0	848	38.10	1.31	1.31	0.13
6	986	1	1	972	0	(0)	861	8.97	1.36	1.03	0.00
2,712	359	1,873	1,814	358	163	238	261	8.71	10.17	7.63	7.84
2,490	372	2,835	2,753	263	52	(89)	488	1.82	10.69	6.04	5.75
1,175	542	790	567	568	55	28	469	6.94	11.97	7.40	10.32
6,135	208	739	752	584	26	75	657	3.46	0.99	0.62	0.59
3,793	282	406	319	723	80	61	386	19.71	17.07	2.47	12.87
6,231	206	2,507	3,408	287	(518)	50	986	-20.64	0.00	-13.74	-2.41
733	670	811	632	561	111	80	325	13.70	26.98	19.53	4.66
1,916	438	3,058	2,624	251	20	(49)	702	0.65	12.97	1.87	0.31
2,139	407	2,687	2,232	272	141	120	283	5.23	20.25	12.57	9.34
687	686	2,172	1,608	320	45	27	525	2.06	37.84	9.13	4.15
901	609	63	99	902	3	8	810	5.48	0.43	0.43	3.45
757	662	71	70	899	22	12	684	30.64	3.12	3.08	0.73
23	967	6	NA	950	(0)	(0)	886	-3.82	-1.81	-1.67	-0.01
503	771	751	640	577	42	32	546	5.53	23.46	11.71	5.22
3,915	274	2,504	2,403	289	(81)	(106)	956	-3.24	-18.77	-4.75	3.67
1,488	495	944	829	523	117	110	315	12.40	16.20	10.57	12.74
767	657	1,037	987	501	98	104	355	9.41	19.94	19.94	17.64
7,985	171	6,256	6,174	139	52	84	487	0.83	2.91	0.99	0.77
80,489	41	7,752	6,868	111	339	451	169	4.38	11.03	5.44	13.35
882	618	165	307	841	57	29	460	34.38	15.27	7.39	1.65
877	620	387	357	730	49	56	502	12.73	13.09	8.07	2.31
416	811	363	165	741	18	10	720	4.83	12.21	5.10	0.87
3	990	10	8	944	0	0	870	0.10	0.00	0.00	0.03
12,728	134	2,264	2,656	310	208	591	221	9.21	8.64	1.74	2.48
14,258	120	46,884	45,774	20	(1,767)	62	996	-3.77	-60.76	-22.96	-118.65
1,183	541	1,657	1,383	389	85	58	379	5.13	30.07	14.26	12.78
335	841	793	708	567	42	36	544	5.25	18.37	18.37	17.09
1,681	467	493	1,270	679	(1,361)	112	995	-275.91	-122.83	-49.72	-188.04
1,574	479	55	14	913	(14)	(1)	912	-24.71	-1.14	-1.14	0.11
2,928	346	2,041	1,887	341	235	154	211	11.53	13.76	11.67	34.41
2,882	350	1,348	19	438	(69)	1	951	-5.11	-17.90	-5.78	-1377.80
651	704	887	858	541	71	76	407	8.04	17.38	16.97	4.50
832	633	1,201	1,307	465	101	304	347	8.43	20.53	20.52	34.54
2,934	343	58	41	908	(24)	(8)	928	-41.37	-0.96	-0.82	-0.15

^Ranks as published in last year's BT500; Parameter ranks are for within the top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ### 15 months ended June 2012; ##### 15 months ended June 2011; * 6 months ended March 2012; @ 9 months ended March 2013; @* 9 months ended March 2012; ### * 9 months ended December 2012; $ 18 months ended Sep 2012; $$ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended March 2010; @@ 12 months ended March 2009; ** 12 months ended Dec 2011; ** 18 months ended Mar. 2012; @@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Advanta climbed 78 positions to no. 403

OVERALL RANKS

Rise

Fall

No Change

Alok Industries is at no. 431 in terms of market cap but much higher at no. 92 in terms of total income

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
401	345	Punj Lloyd@	1,230	1,665	(26.1)	1,942	1,703
402	413	VA Tech Wabag	1,220	1,217	0.3	1,116	1,300
403	481	Advanta	1,220	851	43.3	523	1,202
404	363	Gateway Distriparks	1,219	1,538	(20.8)	1,430	1,500
405	NR	Risa International#	1,212	7	17,910.3	5	576
406	449	Kirloskar Brothers@	1,208	1,016	19.0	1,119	1,129
407	347	Allcargo Logistics	1,188	1,663	(28.5)	1,943	1,641
408	502	Ushdev International	1,172	784	49.5	908	814
409	426	SREI Infrastructure Finance	1,167	1,160	0.6	1,815	1,458
410	338	Sintex Industries	1,163	1,717	(32.2)	3,505	1,806
411	369	Ingersoll-Rand (India)	1,155	1,476	(21.8)	1,469	1,465
412	373	Motilal Oswal Financial Services	1,145	1,431	(19.9)	1,436	1,512
413	448	Development Credit Bank	1,140	1,021	11.7	974	1,071
414	398	Gujarat Narmada Valley Fert. & Chem.	1,138	1,279	(11.0)	1,425	1,262
415	609	Astral Poly Technik	1,135	516	119.9	393	665
416	463	Symphony@	1,132	956	18.5	888	1,091
417	271	Welspun Corpn	1,129	2,593	(56.5)	2,946	2,374
418	408	Polaris Financial Technology#	1,129	1,251	(9.8)	1,547	1,224
419	337	Aban Offshore$\Delta\Delta$	1,128	1,720	(34.4)	2,031	1,666
420	395	Federal-Mogul Goetze(India)$\Delta\Delta$	1,120	1,313	(14.7)	1,375	1,214
421	444	Entertainment Network (India)	1,118	1,033	8.3	1,144	1,081
422	425	Claris Lifesciences$\Delta\Delta$	1,114	1,161	(4.1)	901	1,298
423	459	Peninsula Land	1,108	971	14.0	1,241	1,365
424	918	NCL Research & Financial Services	1,088	218	399.6	73	411
425	460	Rei Agro#	1,085	963	12.6	2,116	983
426	466	Capital First	1,083	945	14.6	912	1,067
427	333	Mahanagar Telephone Nigam	1,083	1,795	(39.7)	2,244	1,697
428	485	Hawkins Cookers	1,080	840	28.6	762	996
429	417	ICRA	1,078	1,190	(9.4)	1,011	1,251
430	399	Swan Energy#	1,073	1,279	(16.1)	746	1,254
431	378	Alok Industries#	1,072	1,389	(22.8)	1,698	1,200
432	389	Timken India$\Delta\Delta$	1,066	1,338	(20.3)	1,332	1,256
433	434	Monsanto India#	1,064	1,119	(4.9)	1,392	1,104
434	405	Kalpataru Power Transmission	1,061	1,259	(15.7)	1,738	1,302
435	377	Balrampur ChiniMills	1,061	1,400	(24.2)	1,332	1,365
436	441	Zensar Technologies	1,048	1,045	0.3	660	1,082
437	323	Bajaj Hindusthan	1,037	1,926	(46.2)	1,808	1,784
438	627	Greenply Industries	1,036	481	115.6	477	647
439	307	BGR Energy Systems	1,027	2,136	(51.9)	2,580	1,968
440	476	Nesco	1,023	903	13.2	831	977
441	457	Dalmia Bharat#	1,011	976	3.6	1,118	1,152
442	452	Merck	1,008	1,009	(0.1)	1,044	1,034
443	305	Kennametal India	1,008	2,154	(53.2)	1,654	1,920
444	396	Hubtown#	1,007	1,290	(22.0)	1,428	1,267
445	468	Balmer Lawrie & Company	1,007	940	7.1	935	992
446	456	Gujarat Industries Power Company$\Delta\Delta$	1,005	991	1.4	1,164	1,029
447	471	JK Lakshmi Cement	1,004	923	8.8	573	1,229
448	NR	Sulabh Engineers & Services#	998	116	756.5	5	294
449	607	Shrenuj & Company	988	519	90.3	455	496
450	380	Jindal Stainless	987	1,382	(28.6)	1,660	1,310

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
13,956	**122**	8,746	6,180	**98**	20	58	**704**	0.22	0.51	0.23	**0.59**
1,517	**489**	1,070	1,017	**494**	90	75	**374**	8.42	17.97	15.53	**33.95**
896	**611**	131	170	**864**	3	14	**814**	2.24	0.84	0.33	**0.70**
800	**648**	216	235	**814**	58	82	**458**	26.66	8.53	8.31	**5.30**
28	**961**	NA	1	**na**	(0)	(0)	**878**	NA	-0.37	-0.36	**-0.10**
1,951	**434**	1,962	1,889	**350**	43	31	**533**	2.21	5.67	4.04	**7.37**
2,145	**405**	1,091	1,132	**486**	116	184	**317**	10.60	9.99	6.91	**9.14**
2,503	**369**	5,377	4,328	**158**	80	62	**387**	1.48	15.13	6.27	**23.50**
14,341	**119**	1,666	1,181	**385**	95	58	**365**	5.70	3.76	0.73	**1.89**
6,554	**200**	3,116	2,691	**247**	269	230	**203**	8.64	10.56	5.10	**8.60**
1,539	**484**	696	700	**603**	78	83	**391**	11.19	9.26	9.26	**24.69**
814	**638**	95	84	**886**	39	58	**563**	40.74	6.88	5.84	**2.67**
11,291	**146**	1,035	821	**503**	102	55	**345**	9.86	11.63	4.63	**4.08**
8,538	**164**	4,527	4,062	**178**	273	284	**199**	6.03	10.46	5.25	**17.57**
562	**742**	901	626	**533**	60	40	**452**	6.61	28.01	19.73	**10.59**
210	**896**	258	238	**785**	50	45	**495**	19.48	36.38	35.41	**14.39**
10,499	**150**	7,361	6,273	**115**	53	65	**480**	0.72	1.33	0.72	**4.07**
1,689	**466**	1,897	1,806	**356**	165	189	**258**	8.67	15.55	14.15	**16.78**
4,219	**257**	863	714	**546**	(13)	(121)	**910**	-1.46	-0.72	-0.30	**-6.05**
900	**610**	1,314	1,266	**444**	(16)	37	**914**	-1.25	-4.02	-2.81	**-1.66**
661	**699**	370	339	**737**	68	57	**423**	18.27	14.36	14.36	**13.59**
1,814	**449**	744	678	**583**	74	70	**403**	10.00	8.21	5.38	**11.73**
3,027	**334**	852	645	**549**	197	157	**227**	23.12	11.77	7.07	**7.05**
32	**957**	8	3	**949**	0	0	**855**	1.45	0.74	0.74	**0.30**
8,234	**170**	4,229	3,728	**185**	226	282	**215**	5.35	9.48	3.35	**2.48**
7,572	**175**	825	703	**555**	70	92	**414**	8.45	8.39	1.11	**9.82**
27,647	**85**	3,716	3,625	**205**	(5,321)	(4,110)	**999**	-143.20	0.00	-50.08	**-84.46**
171	**902**	452	387	**700**	34	30	**590**	7.55	64.14	45.66	**64.49**
408	**814**	172	159	**834**	60	51	**447**	35.10	19.95	19.94	**60.38**
912	**606**	149	411	**851**	27	44	**648**	17.76	15.02	7.80	**2.79**
18,335	**104**	9,472	6,755	**92**	381	404	**160**	4.02	11.27	2.59	**4.59**
681	**689**	745	912	**581**	44	81	**528**	5.94	13.52	13.22	**6.94**
598	**724**	477	402	**685**	67	50	**424**	14.11	17.01	17.01	**39.01**
4,170	**259**	3,475	3,150	**218**	138	165	**287**	3.96	7.67	5.91	**8.97**
4,353	**251**	3,427	2,417	**223**	162	6	**262**	4.73	12.76	5.15	**6.63**
745	**666**	872	741	**545**	122	95	**307**	13.93	26.24	25.99	**27.89**
10,715	**148**	4,644	5,203	**175**	(235)	12	**976**	-5.05	-6.49	-2.59	**-5.03**
1,535	**486**	2,061	1,686	**339**	114	53	**319**	5.54	26.94	10.50	**47.30**
6,499	**202**	3,124	3,468	**245**	164	224	**259**	5.24	14.02	5.18	**22.68**
447	**798**	165	142	**840**	82	67	**384**	49.40	25.40	25.40	**57.97**
629	**708**	227	181	**808**	45	32	**517**	19.93	8.59	8.54	**5.09**
929	**604**	728	629	**585**	78	64	**389**	10.77	17.54	17.54	**47.23**
444	**800**	612	553	**635**	68	89	**420**	11.18	22.86	22.86	**31.12**
3,708	**285**	450	582	**701**	40	171	**556**	8.86	2.46	1.23	**5.08**
1,173	**544**	2,465	2,149	**293**	138	121	**285**	5.60	23.95	23.95	**48.44**
2,956	**341**	1,506	1,306	**413**	219	118	**219**	14.54	14.36	9.03	**10.49**
3,175	**322**	2,364	1,991	**300**	176	109	**246**	7.43	15.04	7.40	**16.32**
21	**970**	0	0	**981**	0	0	**854**	39.47	1.12	1.12	**0.01**
3,292	**313**	2,273	2,056	**308**	30	34	**625**	1.31	6.49	1.68	**3.16**
17,640	**108**	11,168	8,576	**76**	(821)	(104)	**993**	-7.35	-45.37	-6.72	**-58.77**

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; ### 15 months ended June 2011; * 6 months ended March 2012; ** 9 months ended March 2013; @ 9 months ended March 2012; ### 9 months ended December 2012; $ 18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; & 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @@ 12 months ended June 2012; ## 12 months ended June 2011; ** 12 months ended Sep 2011; ## 12 months ended March 2010; ΔΔ 12 months ended March 2009; && 12 months ended Dec 2011; && 18 months ended Mar. 2012; @@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Monnet Ispat & Energy is at no. 191 in terms of net profit, but way lower at no. 467 in market cap

OVERALL RANKS

Rise

Fall

No Change

Relaxo Footwear's market cap increased by almost 40%, helping it climb 87 positions

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ crore) Apr-Sep 2013	Apr-Sep 2012	Growth %	2011/12	2012/13
451	410	Sanwaria Agro Oils#	987	1,231	(19.8)	1,141	1,242
452	418	Pilani Investment & Industries Corpn	986	1,186	(16.9)	1,297	1,177
453	431	Andhra Pradesh Paper Mills@@	980	1,125	(12.9)	1,040	1,088
454	372	Himachal Futuristic Communications	979	1,431	(31.6)	1,506	1,330
455	525	Atul	969	719	34.7	550	926
456	411	Rolta India@	964	1,227	(21.4)	1,604	1,137
457	495	DCM Shriram Consolidated	962	818	17.7	734	941
458	544	Uttam Value Steels	960	668	43.7	555	904
459	552	Siti Cable Network	943	651	44.9	357	861
460	414	Century Plyboards (India)	941	1,214	(22.5)	1,345	1,252
461	371	KEC International	941	1,472	(36.1)	1,642	1,534
462	469	Hindustan Media Ventures	938	940	(0.2)	993	984
463	519	Tree House Education & Accessories	936	734	27.5	615	798
464	520	Kewal Kiran Clothing#	934	730	28.1	840	800
465	494	Bannari Amman Sugars	929	819	13.4	652	933
466	428	Ashoka Buildcon	921	1,155	(20.2)	1,250	1,132
467	291	Monnet Ispat & Energy	918	2,399	(61.7)	3,012	2,071
468	343	Shree Global TradefinΔΔ	913	1,682	(45.7)	4,626	1,285
469	438	Jai Corp	905	1,094	(17.2)	1,813	1,128
470	381	Ballarpur Industries*	895	1,381	(35.2)	1,812	1,395
471	406	SRF	892	1,253	(28.9)	1,739	1,213
472	535	Escorts*	887	699	26.8	966	740
473	496	Heidelberg Cement India	876	812	7.9	831	970
474	493	Uttam Galva Steels	875	821	6.6	1,030	845
475	462	Gujarat NRE Coke	871	961	(9.3)	1,681	1,021
476	421	Electrosteel Steels	861	1,174	(26.6)	1,451	1,317
477	NR	Turbotech Engineering	860	NA	na	86	619
478	NR	Centrum CapitalΔΔ	853	676	26.1	866	743
479	400	Sterlite Technologies	852	1,279	(33.4)	1,734	1,243
480	420	Deepak Fertilisers & Petrochem. Corpn	850	1,180	(28.0)	1,396	1,122
481	202	Opto Circuits (India)	846	3,786	(77.7)	4,782	3,057
482	359	State Trading Corporation Of India#	826	1,564	(47.2)	1,221	1,441
483	570	Relaxo Footwears	823	594	38.6	371	745
484	572	Finolex Cables	809	583	38.7	603	685
485	422	S Mobility#	809	1,168	(30.7)	2,222	1,017
486	538	SRS Real Infrastructure	805	691	16.5	763	796
487	576	OCL India	801	578	38.6	558	718
488	693	Signet Industries##	799	389	105.3	272	488
489	501	Mandhana Industries	791	787	0.6	729	811
490	690	Firstsource Solutions	780	392	99.1	557	525
491	419	VIP Industries<<	773	1,181	(34.5)	1,953	1,158
492	458	Time Technoplast	770	976	(21.1)	1,224	967
493	NL	Orient Cement	769	NA	NA	NA	NA
494	446	Asahi India Glass	761	1,023	(25.6)	1,136	958
495	507	Forbes & Company	760	767	(1.0)	530	826
496	465	TD Power Systems	758	950	(20.2)	827	878
497	416	Hotel LeelaventureΔΔ	756	1,205	(37.3)	1,454	1,180
498	360	BF Utilities	755	1,552	(51.3)	2,013	1,391
499	510	Bombay Burmah Trading Corpn	755	764	(1.2)	600	803
500	409	Styrolution ABS (India)ΔΔ	753	1,237	(39.1)	1,044	1,200

TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	2011/12	Rank 2013	NET PROFIT (₹ cr) 2012/13	2011/12	Rank 2013	PROFIT AS % OF TOTAL INCOME 2012/13	RONW (%) 2012/13	ROCE (%) 2012/13	EPS (₹) 2012/13
812	640	994	931	515	17	30	722	1.71	9.43	2.93	0.49
873	621	197	48	826	159	43	265	80.86	21.49	21.49	200.97
1,244	531	1,322	637	442	(24)	(98)	927	-1.79	-5.06	-2.54	-1.51
1,702	461	300	489	763	11	40	763	3.81	2.55	1.14	0.14
1,538	485	2,192	1,922	316	136	88	291	6.18	22.83	14.08	43.87
5,013	233	1,578	1,603	401	327	495	175	20.74	14.02	8.53	20.29
4,666	244	5,701	5,193	152	191	(14)	233	3.34	14.43	6.40	14.71
3,051	332	6,908	4,150	121	1	(73)	831	0.01	0.68	0.14	0.01
1,243	532	429	266	711	(62)	(82)	947	-14.41	0.00	-10.21	-1.37
786	653	1,209	959	461	60	75	448	4.97	20.49	10.42	3.30
5,211	229	5,796	4,815	150	5	182	806	0.08	0.46	0.24	0.18
672	694	667	618	612	85	65	381	12.67	17.95	17.41	11.52
445	799	121	81	868	33	22	595	27.48	11.12	9.29	9.27
326	846	334	338	749	53	52	477	16.01	22.29	21.01	43.34
1,715	458	1,372	1,213	434	144	104	282	10.48	16.36	10.61	124.56
2,080	414	1,554	1,284	404	102	104	344	6.57	12.51	9.20	7.46
6,912	195	2,124	1,724	330	289	281	191	13.60	12.98	5.15	44.90
1,028	585	92	996	888	1	1	824	1.55	0.38	0.38	0.07
2,309	393	755	589	575	99	92	353	13.10	4.00	3.97	5.54
2,758	356	1,175	1,129	469	7	30	792	0.56	0.41	0.27	0.10
3,871	276	3,663	3,819	209	259	387	207	7.06	13.72	8.87	42.44
3,532	294	4,055	3,353	190	70	120	415	1.72	4.21	3.29	6.43
2,477	375	1,287	1,144	450	31	29	616	2.40	3.78	1.79	1.36
6,924	194	6,287	5,483	138	62	78	441	0.98	5.42	1.80	3.20
5,033	232	1,860	1,465	359	31	3	615	1.66	1.88	0.87	0.54
10,261	151	186	68	830	(280)	(150)	979	-150.89	-15.10	-3.26	-1.27
28	960	NA	NA	na	(0)	(0)	877	NA	-0.13	-0.11	-0.01
375	824	60	56	905	(10)	(13)	906	-16.14	-4.45	-3.00	-0.23
3,383	306	3,488	2,828	216	47	44	508	1.36	4.07	2.33	1.04
2,980	339	2,835	2,520	264	147	213	274	5.18	11.58	6.45	16.66
2,475	376	699	671	601	241	235	208	34.47	18.07	11.65	9.95
6,640	197	31,134	20,756	34	16	56	723	0.05	2.42	0.67	2.97
615	715	1,018	866	511	45	40	523	4.40	23.23	11.39	37.34
1,411	503	2,448	2,215	296	145	98	277	5.93	16.85	13.99	9.87
814	636	1,027	981	507	(47)	78	940	-4.53	-7.26	-7.26	-1.52
500	772	727	546	586	9	9	781	1.19	4.14	2.52	0.44
2,374	383	2,085	1,681	336	156	32	268	7.50	16.11	9.02	27.48
474	781	520	441	669	4	6	808	0.76	11.59	1.54	1.28
1,230	535	1,011	862	512	73	67	405	7.23	19.00	7.20	22.07
1,699	463	1,055	967	499	117	45	314	11.12	11.17	6.81	1.78
492	775	894	903	537	32	68	608	3.53	12.61	10.07	2.23
1,386	507	1,188	1,001	467	78	75	390	6.58	11.70	7.04	3.60
1,265	530	1,745	NA	370	162	(1)	263	9.27	42.78	35.74	7.89
2,429	378	2,080	1,773	337	(92)	(59)	959	-4.41	-72.83	-5.45	-5.29
545	753	411	305	718	31	5	611	7.63	20.60	10.44	-5.13
681	688	477	667	686	36	50	578	7.48	7.97	7.46	10.73
6,454	204	664	1,025	613	(433)	19	983	-65.29	-69.46	-8.54	-10.43
223	888	37	23	922	13	(2)	746	35.17	21.63	7.69	3.47
580	733	281	453	773	19	136	707	6.75	7.09	4.41	1.83
871	622	1,118	921	478	63	54	433	5.65	15.49	12.46	35.90

*Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.; NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ### 15 months ended June 2012; ##### 15 months ended June 2011; + 6 months ended March 2012; ++ 9 months ended March 2013; @ 9 months ended March 2012; ### 9 months ended December 2012; $ 18 months ended Sep 2012; $$ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @@ 12 months ended June 2012; @@@ 12 months ended June 2011; ** 12 months ended March 2010; @@@ 12 months ended March 2009; ## 12 months ended Dec 2011; ### 18 months ended Mar. 2012; @@@ 15 months ended Mar. 2013

Source: CMIE Prowess

See methodology at page No. 98: Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
501	532	Rainbow Papers #	753	704	7.0	998	590	464	692	33	597	4.08
502	596	Goenka Diamond & Jewels	748	531	40.8	577	735	744	582	21	688	5.03
503	445	Sundram Fasteners	746	1,027	-27.3	1,850	442	2,281	307	95	364	6.44
504	930	Accelya Kale Solutions Δ	745	212	252.0	201	898	267	781	71	408	77.57
505	511	Vesuvius India ΔΔ	727	763	-4.6	586	729	617	632	56	464	17.39
506	602	Som Distilleries & Breweries #	724	523	38.4	169	903	205	823	15	733	16.41
507	479	Speciality Restaurants	721	876	-17.7	328	845	236	796	23	672	10.91
508	487	Piramal Glass	718	831	-13.6	1,599	477	1,076	492	5	804	0.38
509	512	Lakshmi Vilas Bank	718	760	-5.5	17,667	107	1,980	345	92	370	6.37
510	492	PTC India Financial Services	718	821	-12.6	3,013	337	287	769	104	338	4.40
511	545	C Mahendra Exports	717	667	7.5	2,136	408	2,125	329	31	613	1.93
512	528	KSB Pumps ΔΔ	716	714	0.2	728	671	794	566	58	456	12.95
513	470	HCL Infosystems @	714	936	-23.7	5,479	220	10,480	82	48	505	1.88
514	560	Tilaknagar Industries	714	628	13.6	1,268	526	770	573	50	495	5.39
515	474	JBF Industries	710	914	-22.3	3,526	295	5,054	163	51	489	1.92
516	491	Usha Martin	709	823	-13.8	7,389	179	3,391	225	7	789	0.17
517	547	Wheels India	709	664	6.8	1,086	565	2,090	335	32	605	4.89
518	424	Hindustan Construction Company	708	1,164	-39.2	8,936	159	3,990	192	-138	964	-2.37
519	454	Man Infraconstruction	704	1,003	-29.9	787	652	418	715	44	531	7.77
520	605	Orient Green Power Company	703	522	34.7	1,646	471	64	901	-17	915	-1.13
521	509	Hinduja Ventures	702	765	-8.2	758	661	95	887	77	397	11.04
522	NL	Sreeleathers #	701	NA	na	183	899	45	919	5	807	2.60
523	581	Aarti Industries	693	566	22.4	2,075	416	2,282	306	131	295	9.87
524	455	Texmaco Rail & Engineering	687	1,000	-31.3	1,074	569	919	527	94	366	15.22
525	575	Brigade Enterprises	681	580	17.5	2,755	357	804	562	64	430	3.05
526	583	JB Chemicals & Pharmaceuticals	681	564	20.6	1,277	525	853	547	85	380	8.17
527	490	Gulf Oil Corpn	680	828	-17.8	1,674	468	1,137	476	53	481	7.66
528	505	Goodyear India ΔΔ	678	776	-12.6	748	664	1,636	391	56	462	16.95
529	443	NCC	675	1,036	-34.9	8,341	167	5,851	147	63	438	1.34
530	461	Gammon Infrastructure Projects	671	961	-30.2	1,325	519	141	861	30	621	3.09
531	615	Hikal	669	506	32.4	1,229	536	671	609	26	659	2.85
532	555	Elder Pharmaceuticals #	668	640	4.5	1,728	456	1,019	509	84	383	5.74
533	634	Dhanuka Agritech	661	465	42.1	420	808	653	619	64	429	23.14
534	484	HEG	659	844	-21.9	2,916	348	1,747	369	106	334	4.93
535	451	Praj Industries	658	1,012	-35.0	1,065	571	826	554	66	425	11.83
536	346	BEML	657	1,665	-60.5	5,386	222	3,122	246	-80	955	-2.47
537	623	Panacea Biotec #	655	488	34.2	2,082	413	709	596	-208	972	-14.74
538	514	Tamil Nadu Newsprint & Papers	652	737	-11.5	3,519	297	2,131	328	91	371	3.49
539	558	Shilpa Medicare	650	629	3.4	507	768	342	748	46	516	11.90
540	527	Prime Focus #	648	715	-9.4	798	649	196	827	23	673	3.39
541	450	Techno Electric & Engineering Co.	645	1,013	-36.3	1,119	556	571	648	61	446	8.10
542	559	Isgec Heavy Engineering *	644	628	2.6	2,121	410	2,786	267	70	413	9.34
543	662	BS	637	430	48.1	1,370	509	1,553	405	56	461	7.56
544	566	Kesoram Industries	633	606	4.5	7,243	184	6,214	141	-329	980	-6.11
545	NR	Rollatainers **	625	120	420.0	132	919	56	912	-21	921	-21.89
546	541	Savita Oil Technologies	625	672	-7.1	1,156	549	2,306	303	103	339	18.86
547	551	Tide Water Oil Company (India)	620	652	-4.8	526	762	1,097	482	63	435	19.05
548	724	Cera Sanitaryware	620	360	72.0	382	821	520	668	46	515	21.63
549	617	Ratnamani Metals & Tubes	618	503	22.8	1,029	584	1,295	447	136	290	16.95
550	526	Dredging Corporation Of India	615	717	-14.2	2,605	365	638	628	21	696	1.09

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; «« 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

JIS GROUP PARTNERS WITH MICROSOFT'S ED-VANTAGE AND IS ONLY NODAL FOR ALL OF EASTERN INDIA

Our Partnership can be your Achievement

Microsoft | Ed-Vantage

Dr. Sudhir Chandra Sur Degree Engineering College is the First Ed-Vantage Platinum Campus in Eastern India

The Ed-Vantage Platinum Campus status also given to **JIS College of Engineering** and **Asansol Engineering College**

The first 3 **Microsoft Innovation Centers** in Eastern India to be set up in JIS Group colleges

JIS Group Educational Initiatives

The Largest Educational Conglomerate in Eastern India

Affiliated to WBUT | Approved by AICTE | NAAC Accredited Institution
NBA Accredited Streams | TEQIP Grant by World Bank Project

SMS Query to 56767

COURSES OFFERED

B.TECH | M.TECH | B.PHARM | M.PHARM | D.PHARM | BCA | MCA | BDS | MDS
BBA (H) | MBA | HOSPITAL MANAGEMENT | DIPLOMA ENGINEERING
HOTEL MANAGEMENT | B.SC (H) MICROBIOLOGY | B.SC (H) BIOTECHNOLOGY
M.SC BIOTECHNOLOGY | B.SC GENETICS | M.SC GENETICS

22 INSTITUTIONS
58 PROGRAMMES
21000 STUDENTS

Our Placements

International Recognized Corporations- Microsoft, Google, WIPRO, Infosys, IBM, CTS, TCS, ITC Infotech, Oracle, Tech. Mahindra, CDAC etc.

Prestigious Govt./Public Sectors- ONGC, BARC, ISRO, ISI, UBI, NTPC, Power Grid, Milk Federation and the Indian Army.

Many of our students are placed with a salary package of upto ₹10 lakhs p.a.

Our Distinctions

60 years of experience in industry and 16 years in education

1st Autonomous Private Engineering College in West Bengal - JIS College of Engineering

Knowledge Partners: Oracle, Microsoft, WIPRO, IBM, Infosys, TCS, CTS & Asian Institute of Technology, Bangkok

Awarded as Asia's Most Promising Brand in Educational Sector*

JIS GROUP
Educational Initiatives

Our Selected Colleges Across West Bengal

JIS College of Engineering- Kalyani- Ph. 94320 11490
Narula Institute of Technology- Agarpara- Ph. 89024 96650
Guru Nanak Institute of Technology- Sodepur- Ph. 94320 12681
Guru Nanak Institute of Dental Sciences & Research- Sodepur- Ph. 94320 12562
Guru Nanak Institute of Pharmaceutical Science & Technology- Sodepur- Ph. 89024 96653
Guru Nanak Institute of Hotel Management-Sodepur- Ph. 98361 06964
Dr. Sudhir Chandra Sur Degree Engineering College- Dum Dum- Ph. 89024 96652
JIS School of Polytechnic- Kalyani- Ph. 94320 11490
Greater Kolkata College of Engineering and Management-Baruipur (JV)- Ph. 96746 86236
Abacus Institute of Engineering & Management- Mogra (JV)- Ph. 98836 60434

*Validated by Consumers & Industry- a World Consulting & Research Corporation (WCRC) and ibrands 360 research initiative. Process Advisors & Evaluators KPMG in India.

Corporate Office: Dwarka, 1st Floor, 7 Sarat Bose Road, Kolkata-700 020 | Help Line: 94320 12563 | www.jisgroup.org

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
551	513	Jindal Poly Films	615	758	-18.8	3,230	319	2,476	290	33	599	1.42
552	682	Fairfield Atlas	614	404	52.1	240	881	244	793	29	632	20.65
553	467	HSIL	608	942	-35.5	2,689	361	1,734	373	99	352	6.02
554	600	Essel Propack	602	524	14.8	1,267	527	657	617	50	500	4.26
555	645	Welspun India	598	451	32.6	3,490	298	3,348	235	171	249	6.31
556	569	Butterfly Gandhimathi Appliances	595	597	-0.3	544	755	814	560	33	593	15.85
557	NR	Sundaram-Clayton	595	636	-6.3	956	597	1,127	477	35	580	5.14
558	603	Geometric	595	522	14.0	363	828	377	734	36	579	15.61
559	464	CCL International #	593	954	-37.9	61	944	73	897	1	838	3.02
560	798	Kolte Patil Developers	590	300	96.8	1,147	552	231	801	66	426	7.74
561	521	Esab India ΔΔ	590	727	-18.9	338	840	559	655	38	568	16.88
562	589	Indoco Remedies	586	553	6.1	694	682	643	627	43	537	8.31
563	613	Swaraj Engines	586	507	15.5	301	857	554	658	55	466	29.16
564	480	Gemmia Oiltech (India) #	578	860	-32.8	372	825	8	948	1	844	0.26
565	542	Tata Elxsi	578	671	-13.9	388	817	612	634	21	690	8.86
566	568	Zee Learn	577	604	-4.5	341	837	101	883	-21	924	-8.14
567	604	Mangalore Chemicals & Fertilizers #	572	522	9.6	2,302	395	3,730	204	69	417	5.85
568	650	Supreme Petrochem @	572	444	28.9	1,049	575	2,518	285	31	610	6.89
569	415	Himadri Chemicals & Industries	569	1,206	-52.8	2,473	377	1,496	415	24	671	1.14
570	631	GIC Housing Finance	561	473	18.4	4,741	238	554	657	85	378	1.97
571	548	Hinduja Global Solutions	555	661	-16.0	1,040	577	721	590	54	474	6.79
572	584	Shree Ganesh Jewellery House (Ind) #	554	563	-1.7	3,955	270	6,752	125	294	188	15.84
573	361	Hindustan Oil Exploration Company	553	1,545	-64.2	1,990	429	143	857	-551	988	-32.99
574	429	Plethico Pharmaceuticals ΔΔ	551	1,146	-52.0	1,704	460	551	660	-8	905	-0.51
575	786	Poly Medicure #	548	304	80.0	181	900	212	818	19	705	14.87
576	611	KRBL	546	511	6.8	1,979	431	2,119	331	150	273	9.18
577	543	Kwality #	544	670	-18.8	895	612	2,402	298	91	372	13.36
578	573	Kirloskar Pneumatic Company	544	581	-6.4	484	778	608	637	47	512	18.57
579	NR	Midland Polymers #	542	13	3924.1	2	993	0	993	0	876	-1.02
580	516	Indian Metals & Ferro Alloys	536	736	-27.1	2,324	391	1,318	443	54	475	3.19
581	675	Kirloskar Brothers Investment	532	415	28.2	302	856	42	920	40	558	14.15
582	763	New Delhi Television	532	325	63.6	759	659	410	721	-20	919	-3.18
583	582	Priti Mercantile Company #	531	565	-6.1	75	942	5	952	1	839	1.23
584	533	Newtime Infrastructure φφ	530	701	-24.4	30	958	2	962	1	827	4.34
585	564	Man Industries (India) #	529	613	-13.7	1,502	492	1,772	364	107	328	7.93
586	562	Reliance Industrial Infrastructure	522	620	-15.8	302	855	100	884	24	664	11.83
587	933	Heritage Foods	516	209	147.5	413	812	1,607	396	50	499	18.64
588	789	Byke Hospitality #	515	303	69.7	94	935	49	918	2	816	3.24
589	635	Unisys Softwares & Holding Inds #	507	465	9.2	252	879	202	825	1	825	2.45
590	762	Inox Leisure	507	325	55.9	1,006	589	774	572	18	713	2.74
591	NR	Vaibhav Global	506	153	231.5	601	722	447	703	26	649	4.84
592	592	Flexituff International #	505	544	-7.2	710	679	628	630	34	588	6.90
593	606	Mahindra Forgings	504	521	-3.4	1,053	574	498	677	41	548	4.39
594	620	Vinati Organics	502	492	2.1	547	749	601	640	69	418	16.38
595	NR	Shree Shaleen Textiles #	501	12	4067.1	18	974	1	973	0	883	-2.27
596	813	Capri Global Capital #	498	291	70.8	995	592	91	889	40	551	5.08
597	341	Educomp Solutions	496	1,705	-70.9	3,616	289	820	558	-41	937	-1.37
598	317	Ybrant Digital #	483	1,974	-75.5	1,266	528	513	671	48	506	8.64
599	608	SRS	483	516	-6.5	1,280	524	2,907	258	33	598	3.07
600	384	IVRCL ##	482	1,357	-64.5	8,654	163	6,348	137	18	717	0.40

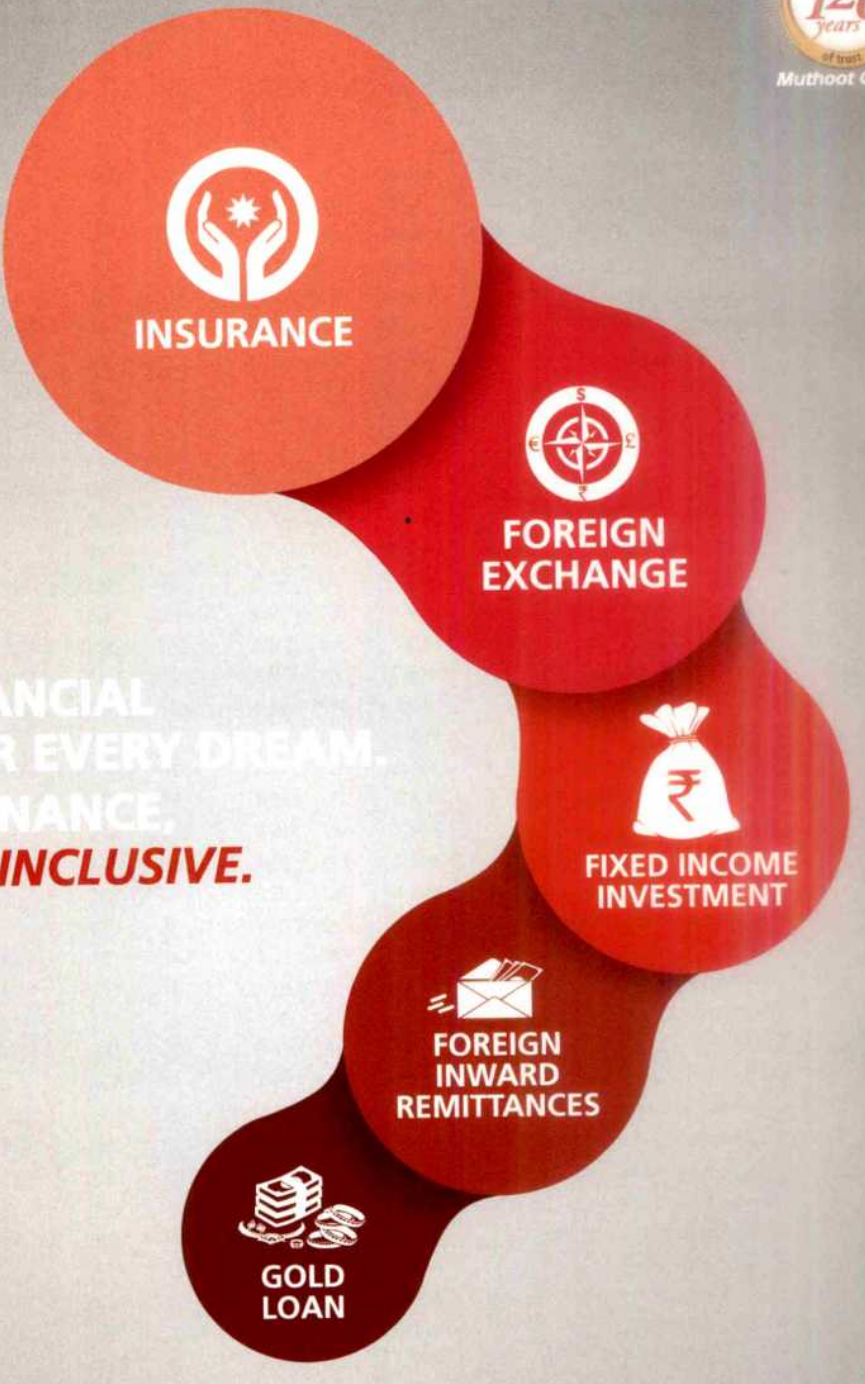
^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ### 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; << 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

muthootfinance.com

126 years of trust
Muthoot Group



DIVERSE FINANCIAL SERVICES FOR EVERY DREAM.
MUTHOOT FINANCE.
INHERENTLY INCLUSIVE.

- ₹ 320 crores* disbursed per day primarily for rural and semi-urban population
- ₹ 5,000 crores* of Foreign Inward Remittances disbursed to those whose very lives depend on it
- 4,440 Muthoot Finance branches, 70% of which are in rural and semi-urban areas
- 81,000 customers served every day, with an average loan size of ₹ 40,000
- 3,00,000 people* brought under life cover in just 95 days, to ensure that losing a breadwinner doesn't mean losing a livelihood

(*Apr'12-Sep'13)

Sapney aapke, prarthana hamari.

Muthoot Finance

A Muthoot M George Enterprise I Since 1887

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

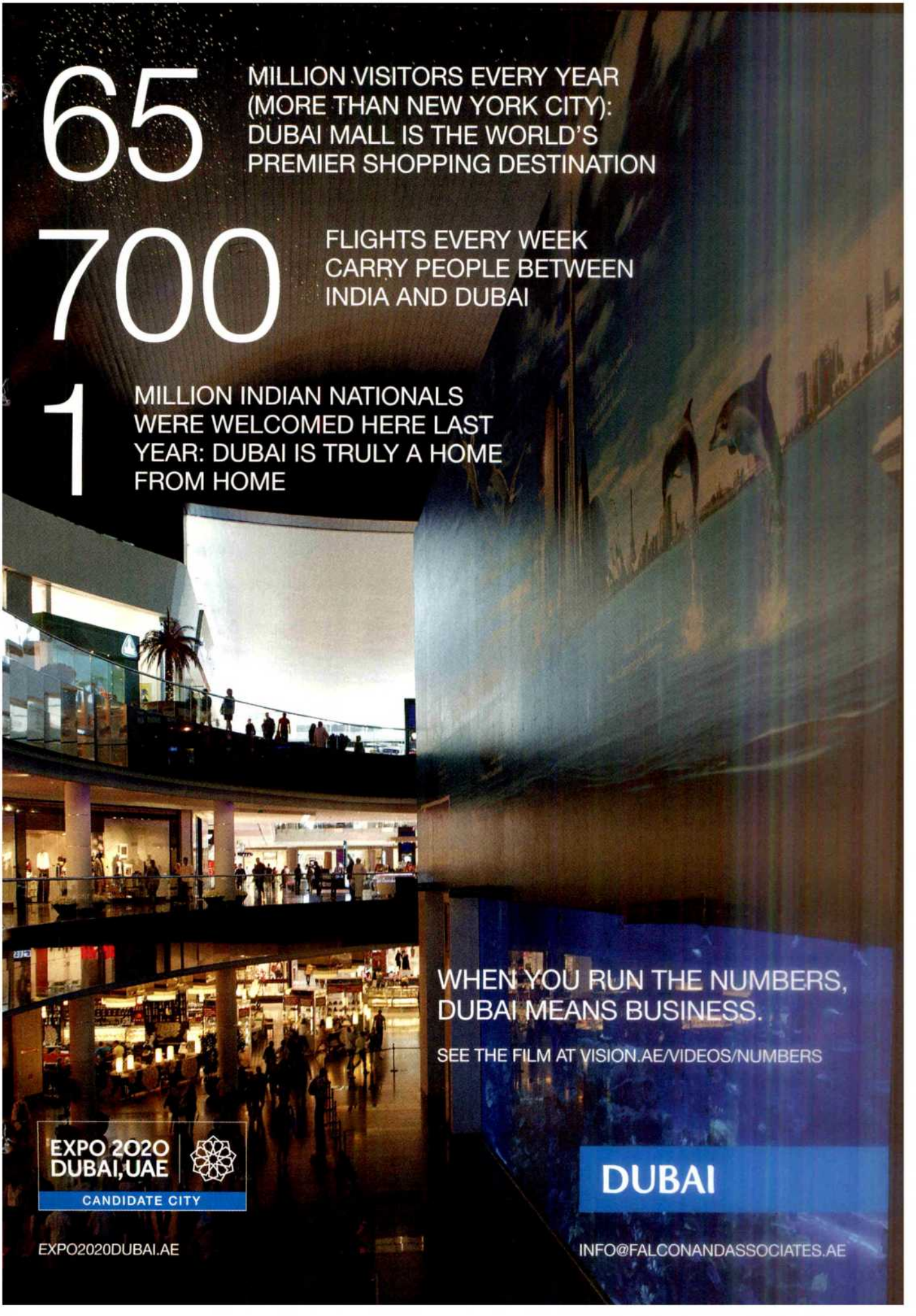
OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
601	590	Dishman Pharma. & Chemicals	477	547	-12.9	1,513	490	504	674	63	432	5.26
602	680	Aricent Infra #	476	407	17.0	27	962	1	971	0	846	2.41
603	NR	Oswal Greentech #	NA	NA	na	2,368	388	490	681	79	388	3.83
604	630	J Kumar Infraprojects #	473	474	-0.3	856	625	939	524	68	421	11.85
605	664	Geojit BNP Paribas Fin. Services	471	430	9.7	608	717	234	797	43	532	11.24
606	NR	Rutron International	471	31	1442.0	18	973	5	953	1	845	2.74
607	614	Insecticides (India)	470	507	-7.2	632	707	651	620	35	581	9.35
608	508	Uflex	469	766	-38.8	3,440	304	3,521	213	138	284	5.45
609	775	Mayur Uniquoters	468	313	49.5	233	884	421	714	44	530	37.46
610	554	ITI #	467	645	-27.5	7,302	180	953	521	-375	981	0.00
611	NR	Kappac Pharma #	467	31	1385.4	27	963	NA	na	0	879	-0.23
612	713	KPR Mill	467	372	25.5	1,612	475	1,499	414	101	349	8.21
613	NL	Zuari Agro Chemicals #	467	NA	na	4,681	243	6,245	140	103	340	5.56
614	556	Jindal Drilling & Industries #	464	635	-26.9	611	716	890	538	51	491	10.85
615	NR	Radford Global #	458	23	1865.7	19	972	1	976	0	862	0.50
616	802	Reliance Mediaworks $	457	298	53.5	2,150	403	911	529	-704	990	-38.19
617	579	Lovable Lingerie	457	567	-19.4	212	893	163	843	19	708	10.90
618	677	Venky'S (India)	455	413	10.1	869	624	1,447	420	25	662	4.27
619	563	Electrosteel Castings	453	619	-26.9	5,010	234	2,114	332	97	357	2.57
620	382	GTL Infrastructure	452	1,380	-67.3	7,005	190	918	528	-687	989	-11.24
621	699	Ruchi Infrastructure	446	384	16.1	969	596	2,301	304	5	799	0.93
622	598	Sterling Holiday Resorts (India)	444	527	-15.6	455	791	112	879	-21	923	-25.91
623	714	Balmer Lawrie Invsts. #	442	370	19.5	84	937	30	926	28	634	49.47
624	599	Polyplex Corpn	442	526	-16.0	840	628	1,072	493	5	802	0.66
625	529	Prakash Industries	442	707	-37.6	3,271	314	2,797	266	165	257	5.81
626	701	Maharashtra Scooters	440	382	15.2	283	864	61	903	49	503	22.86
627	NR	Surabhi Chemicals & Investments $$	438	4	11779.9	16	978	1	965	1	835	6.45
628	658	Aegis Logistics	435	438	-0.7	547	751	403	724	40	553	9.46
629	776	Ashiana Housing	432	311	39.2	377	823	131	865	32	601	11.86
630	878	Raj Television Network #	432	246	75.4	127	923	61	904	9	776	8.86
631	643	Shanthi Gears	432	456	-5.4	291	860	170	838	15	730	6.07
632	NL	Comfort Fincap	431	NA	na	27	964	3	955	1	834	4.25
633	720	TV Today Network	431	363	18.6	633	706	322	753	12	752	3.22
634	546	JSW Holdings	430	666	-35.5	692	685	29	928	22	683	3.19
635	477	Kingfisher Airlines	429	898	-52.2	2,984	338	683	605	-8347	1,000	-972.58
636	760	Sundaram Multi Pap	426	326	30.9	278	868	191	828	5	805	2.00
637	629	Selan Exploration Technology	425	475	-10.5	341	838	119	874	45	519	19.76
638	626	Tata Sponge Iron	425	483	-12.0	1,085	566	909	531	85	376	14.14
639	NR	Indiabulls Infrastructure & Power #	423	649	-34.8	623	711	1	978	-3	898	-1.12
640	705	JK Tyre & Industries	421	379	11.1	4,783	237	6,040	144	106	335	3.85
641	NL	Pawansut Holdings ++	417	NA	na	5	988	0	983	0	857	2.90
642	655	Infinite Computer Solutions (India)	416	441	-5.8	584	730	455	698	106	333	28.97
643	616	Apar Industries	413	503	-17.9	3,232	318	4,988	164	102	343	6.83
644	807	Mount Everest Mineral Water	412	295	39.7	53	949	25	932	1	842	1.23
645	830	Suprajit Engineering	411	278	47.8	330	843	474	688	47	509	20.51
646	578	SML Isuzu #	411	571	-28.0	727	672	1,145	473	42	543	13.11
647	439	Simplex Infrastructures	411	1,055	-61.1	7,167	186	5,863	146	60	450	1.64
648	567	Force Motors #	410	605	-32.3	1,925	437	3,355	231	824	88	92.09
649	937	Ujaas Energy	402	206	94.6	264	876	251	788	27	647	16.05
650	NR	La Opala RG	401	121	230.2	132	920	161	844	23	674	24.80

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; ✈ 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ### 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; << 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess


65
MILLION VISITORS EVERY YEAR (MORE THAN NEW YORK CITY): DUBAI MALL IS THE WORLD'S PREMIER SHOPPING DESTINATION
700
FLIGHTS EVERY WEEK CARRY PEOPLE BETWEEN INDIA AND DUBAI
1
MILLION INDIAN NATIONALS WERE WELCOMED HERE LAST YEAR: DUBAI IS TRULY A HOME FROM HOME
WHEN YOU RUN THE NUMBERS, DUBAI MEANS BUSINESS.
SEE THE FILM AT VISION.AE/VIDEOS/NUMBERS
EXPO 2020 DUBAI, UAE
CANDIDATE CITY
DUBAI
EXPO2020DUBAI.AE
INFO@FALCONANDASSOCIATES.AE

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
651	610	Tinplate Company of India	401	514	-22.1	1,069	570	899	535	28	637	3.77
652	NL	Binny Mills #	401	NA	na	175	901	6	951	1	837	0.64
653	636	Noida Toll Bridge Company	400	464	-13.8	694	683	113	878	42	542	7.37
654	NR	Cinemax India	400	NA	na	271	873	416	716	25	663	21.63
655	633	Honda Siel Power Products	399	469	-14.9	513	767	566	651	21	694	7.57
656	666	Disa India ΔΔ	399	424	-6.1	124	926	171	837	19	710	35.99
657	676	Paper Products ΔΔ	398	415	-4.0	547	750	959	519	45	520	12.48
658	833	Suashish Diamonds #	398	277	43.8	1,166	547	1,243	454	38	570	2.80
659	663	Ramco Industries	398	430	-7.4	1,026	587	889	539	54	471	7.39
660	587	IL & FS Investment Managers	398	556	-28.6	148	912	103	882	42	539	47.24
661	221	Core Education & Technologies #	397	3,368	-88.2	2,702	360	936	526	188	237	8.88
662	782	Steel Exchange India Ω	397	309	28.3	1,217	537	1,065	497	53	479	9.28
663	825	TTK Healthcare	393	285	37.7	210	895	389	727	14	738	13.07
664	537	Innoventive Industries #	393	696	-43.6	938	601	707	597	71	410	11.63
665	632	Dhanlaxmi Bank	392	470	-16.6	13,821	125	1,429	427	3	815	0.11
666	621	Jayaswal Neco Industries	388	492	-21.0	4,922	235	2,837	262	29	631	0.81
667	622	Voltamp Transformers	388	489	-20.6	463	785	586	643	33	596	8.17
668	534	Shasun Pharmaceuticals	388	701	-44.7	939	600	821	557	26	651	4.41
669	738	Ceat	382	351	8.8	3,123	326	5,380	157	106	332	5.78
670	628	JK Paper	381	477	-20.0	3,089	330	1,706	380	38	569	1.68
671	652	Transport Corporation of India	379	442	-14.4	890	615	1,957	351	52	486	7.48
672	531	Surana Industries	378	707	-46.5	2,351	389	1,430	424	10	770	0.54
673	707	MT Educare #	378	377	0.1	141	917	141	860	14	740	25.02
674	639	Oscar Investments #	374	460	-18.6	1,702	462	289	766	194	229	12.40
675	799	CCL Products (India)	374	299	25.2	515	766	591	642	55	470	12.79
676	681	Taj GVK Hotels & Resorts	374	405	-7.7	672	693	255	787	9	778	1.59
677	NR	Banas Finance #	373	161	131.9	20	971	1	966	0	869	0.10
678	679	Sandur Manganese & Iron Ores	371	408	-9.0	463	784	187	829	33	600	10.00
679	591	Vivimed Labs #	370	546	-32.3	778	655	388	728	40	550	7.69
680	735	APL Apollo Tubes	369	352	4.8	733	668	1,755	367	35	587	6.40
681	539	Andrew Yule & Company #	368	690	-46.6	488	777	319	756	12	757	3.97
682	472	Orchid Chemicals & Pharma. #	368	922	-60.1	3,947	271	1,976	347	193	230	6.04
683	588	Shree Ram Urban Infrastructure ΔΔ	366	553	-33.8	1,853	441	237	795	9	777	0.97
684	NR	Prozone Capital Shopping Centres #	366	390	-6.3	419	810	14	941	-2	896	-0.97
685	574	Essar Shipping #	365	580	-37.0	9,064	158	1,305	445	96	360	1.12
686	718	Zodiac Clothing Company	365	365	-0.1	269	874	324	752	11	765	5.16
687	685	India Glycols	359	396	-9.3	3,041	333	3,915	196	121	308	5.11
688	601	Ahmednagar Forgings @	359	524	-31.4	1,779	452	1,218	458	121	309	9.43
689	383	Elantas Beck India ΔΔ	358	1,362	-73.7	257	878	318	757	28	642	17.60
690	669	Take Solutions	358	422	-15.3	351	833	71	898	37	573	11.05
691	674	KCP	357	417	-14.3	985	593	897	536	30	620	4.19
692	550	Automotive Axles *	356	652	-45.4	494	774	1,086	489	45	521	14.23
693	725	Sanghi Industries ####	355	359	-1.1	2,019	427	990	516	-30	930	-1.68
694	857	Global Capital Market & Infra.	354	261	35.5	46	952	20	935	0	851	0.69
695	700	Talwalkars Better Value Fitness	353	383	-7.9	410	813	142	859	28	639	8.81
696	742	West Coast Paper Mills	352	345	2.1	2,033	424	1,550	406	18	716	1.03
697	659	Triveni Engineering & Industries *	352	437	-19.5	2,378	382	1,941	352	-67	950	-3.70
698	619	Onmobile Global	350	493	-28.9	1,338	518	526	667	26	649	2.99
699	NR	Visesh Infotecnics #	350	91	283.4	465	783	155	849	1	842	0.14
700	NR	Rander Corpn	349	68	412.8	24	965	2	960	2	822	8.97

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ‹‹ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

EUREKA FORBES
Your friend for life

Shapoorji Pallonji

PURITY THAT BOOSTS PRODUCTIVITY.

FORBES PRO WATER SOLUTIONS THAT KEEP YOUR EMPLOYEES PROTECTED.

Aquaguard
UV based
Cooler cum Purifier

Aquaguard
600 Dual Faucet UV

Aquaguard
Hot & Cold
(RO+UV)

Aquaguard
Reviva 50 LPH RO

Aquaguard
Skid mounted
RO Plant

Aquaguard
RO based
Cooler with Storage

Aquaguard
UV based
Cooler with Storage

Safe, pure drinking water is a vital step to safeguarding the health of your employees and boosting productivity. At Forbes Pro Water Solutions, a division of Eureka Forbes Ltd., we understand this and deliver a range of high quality water purification systems to meet your organisation's varied requirements. We specialize in delivering world-class, end-to- end water management solutions to institutions and industries. All backed with a strong nation-wide service.

FORBES PRO
WATER SOLUTIONS

THE FORBES PRO ADVANTAGE:

• Over 30 years of experience • Nation-wide sales & service infrastructure • Wide technologically advanced product range

To know more, call us at: North - 09871669817, East - 09830630622, West - 09300055625, Mumbai - 09920634657,
Goa & South - 09243442776 / 09632543937, Marketing - 022 308 72578
write to us at watersolutions@eurekaforbes.co.in or visit us at www.eurekaforbes.com

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
701	783	Sagar Cements	347	308	12.7	693	684	748	579	9	778	1.83
702	704	Orient Refractories #	346	381	-9.0	144	914	325	751	31	618	70.22
703	801	India Motor Parts & Accessories	346	298	16.0	236	883	501	675	27	646	14.44
704	654	Sharon Bio-Medicine @	344	442	-22.0	774	656	786	571	42	545	6.70
705	NR	North Eastern Carrying Corpn #	344	151	128.0	112	931	478	684	5	801	5.56
706	641	Sarda Energy & Minerals	344	460	-25.2	1,765	455	1,539	408	125	303	8.04
707	717	Dynamatic Technologies #	343	367	-6.6	698	680	500	676	2	820	0.36
708	780	EIH Associated Hotels	340	310	9.4	380	822	214	816	21	698	6.33
709	749	DB (International) Stock Brokers #	339	339	0.0	33	955	12	943	2	817	9.11
710	956	Suven Life Sciences	338	199	70.0	360	830	259	783	31	616	12.41
711	820	Hitachi Home & Life Solns. (India)	338	287	17.6	839	629	1,024	508	15	732	4.55
712	549	NIIT	337	655	-48.5	1,057	573	712	593	1	826	0.19
713	711	NRB Bearings	337	376	-10.4	590	727	645	624	47	513	10.05
714	660	Empire Industries	334	437	-23.5	330	844	297	764	35	584	23.26
715	744	PNB Gilts	334	344	-2.9	3,836	278	289	767	61	442	1.88
716	670	Hercules Hoists	331	422	-21.5	269	875	149	852	29	633	18.87
717	684	VST Tillers Tractors	329	397	-17.3	338	839	485	682	49	504	20.94
718	764	Bhansali Engineering Polymers #	327	323	1.3	392	816	457	694	1	829	0.65
719	804	Bliss GVS Pharma	327	298	9.8	457	789	369	739	57	459	20.69
720	695	GHCL	327	385	-15.3	2,933	344	2,270	309	96	362	4.26
721	914	Sequent Scientific #	326	223	46.5	517	764	356	745	1	823	0.45
722	698	Andhra Sugars	325	384	-15.3	1,118	558	904	532	75	401	9.69
723	708	Sical Logistics	323	377	-14.1	932	603	513	670	10	769	1.51
724	624	Supreme Infrastructure India #	323	486	-33.5	1,690	465	1,509	412	92	369	9.77
725	822	EPC Industrie	322	287	12.1	153	910	164	842	5	800	5.33
726	730	Lumax Industries	320	357	-10.2	753	663	1,198	466	14	741	4.05
727	594	OCL Iron & Steel #	320	539	-40.5	2,492	371	378	732	17	721	1.15
728	NR	Cigniti Technologies #	319	103	210.9	44	953	10	945	0	849	1.42
729	NR	Ashapura Minechem #	319	130	145.5	671	695	442	705	7	788	0.00
730	715	Texmaco Infrastructure & Holdings	319	369	-13.6	282	866	26	931	16	725	6.33
730	795	Himatsingka Seide	319	301	5.7	1,238	534	748	578	42	541	4.27
732	821	Gujarat Ambuja Exports	317	287	10.5	1,204	539	3,038	252	113	321	12.93
733	640	Nectar Lifesciences #	315	460	-31.6	2,125	409	1,364	435	10	774	0.57
734	NL	GCM Securities #	314	NA	na	13	983	1	974	0	853	2.60
735	854	Zee Media Corpn	313	263	19.4	349	834	297	765	24	665	9.23
735	903	Surya Roshni	313	229	37.1	1,822	447	3,176	243	69	416	5.07
737	637	Atlanta #	313	463	-32.5	817	635	224	810	19	709	3.28
738	712	Sabero Organics Gujarat	313	374	-16.5	536	758	545	662	8	787	2.40
739	668	Adhunik Metaliks ##	311	423	-26.3	3,667	288	2,132	327	-1	891	-0.03
740	727	Sunflag Iron & Steel Company	310	359	-13.5	1,361	511	1,750	368	-13	909	-1.20
741	498	Vikas WSP	310	804	-61.5	2,232	399	2,912	257	345	167	25.14
742	768	Indraprastha Medical Corpn	310	319	-2.9	443	802	608	638	29	630	12.21
743	692	Dhunseri Petrochem & Tea	308	390	-21.1	2,805	355	2,614	273	77	396	4.01
744	787	Manaksia	308	303	1.4	1,026	586	1,281	452	28	643	4.06
745	NL	Tara Jewels $$	307	NA	na	741	667	1,092	484	40	557	10.57
746	756	Astra Microwave Products	307	331	-7.2	500	773	245	792	37	571	15.55
747	625	Elecon Engineering Company	307	485	-36.7	1,080	567	671	610	9	784	0.99
748	651	Oriental Hotels	307	442	-30.6	884	617	313	759	14	737	2.45
749	729	Mangalam Cement	306	358	-14.7	1,036	579	827	553	77	393	13.75
750	618	Mercator	305	500	-39.0	2,066	419	577	646	-217	974	-12.23

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; << 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

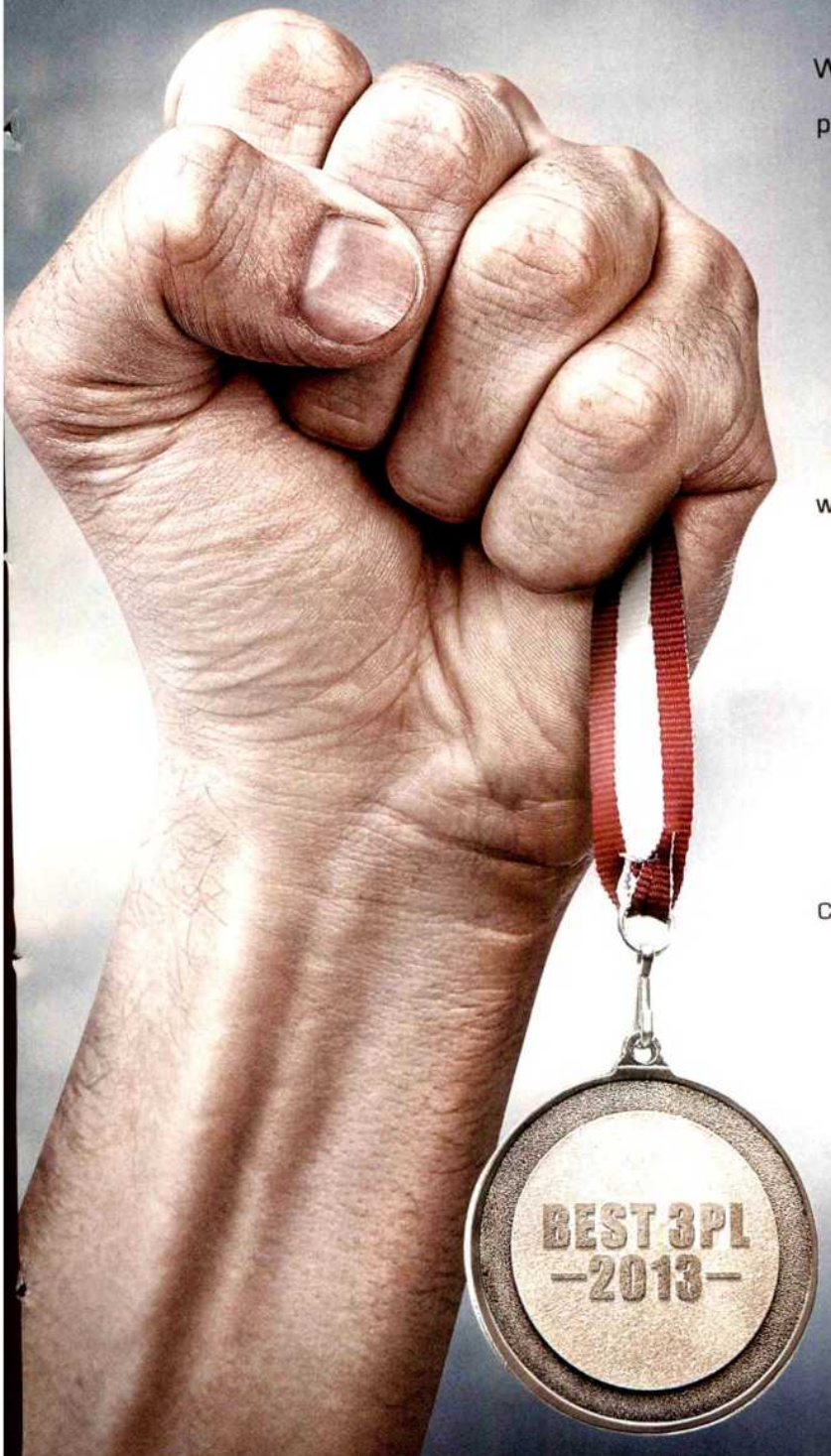
Source: CMIE Prowess

WE'VE WON THE BEST 3PL COMPANY AWARD.

We believe that excellence is a continuous process. With every passing day we try to improve ourselves. Incidentally, this process of improvement has led us to a few awards. This year, we've bagged the best 3PL company award at the 7th Express, Logistics and Supply Chain Awards. And yet, we don't intend to stop, we aim to achieve higher standards. More than awards, that is what drives us to constantly raise the bar.

Mahindra LOGISTICS

Call 1800 258 6787 | mahindralogistics.com



Mahindra
Rise.

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
751	585	Visa Steel #	304	560	-45.8	3,468	300	1,473	417	-119	962	-6.61
752	788	Mastek Ω	304	303	0.2	484	779	432	709	30	622	7.92
753	657	Ansal Properties & Infrastructure	303	440	-31.2	5,353	225	1,057	498	44	527	1.70
754	642	Pratibha Industries	301	458	-34.2	2,510	368	1,663	387	95	363	6.29
755	723	Nalwa Sons Invsts. #	299	361	-17.0	313	848	20	936	16	724	5.36
756	934	R Systems International ΔΔ	298	207	44.0	273	871	246	791	21	695	11.02
757	745	Pennar Industries	295	343	-14.0	535	760	1,019	510	31	614	7.88
758	678	Foseco India ΔΔ	294	412	-28.7	142	916	276	777	22	681	23.23
759	638	IL&FS Engg & Construction Co.$	293	461	-36.5	2,958	340	2,169	322	-135	963	-7.54
760	NR	Confidence Trading Company #	290	86	237.9	16	980	1	970	0	850	3.79
761	517	Ramky Infrastructure	290	736	-60.6	4,255	255	3,071	250	60	449	2.94
762	NR	Media Matrix Worldwide #	289	41	613.1	60	945	3	956	-3	897	-8.61
763	816	Kirloskar Industries	289	289	-0.1	676	691	52	916	36	575	5.92
764	647	Commex Technology #	288	451	-36.1	120	928	15	939	6	794	5.23
765	NL	V-Mart Retail ΩΩ	288	NA	na	83	938	147	855	1	830	2.15
766	NR	GPT Infraprojects	287	200	43.7	519	763	349	746	9	775	2.80
767	561	Patel Engineering	287	621	-53.8	5,565	217	2,756	270	49	501	1.28
768	740	Kirloskar Ferrous Industries	286	347	-17.4	894	613	1,353	436	40	552	7.93
769	743	Nirlon #	285	344	-17.1	2,369	386	142	858	-20	918	-3.00
770	737	3I Infotech	285	352	-18.9	4,074	264	699	602	-255	977	-8.04
771	NR	Grandma Trading & Agencies #	284	23	1149.0	13	982	0	983	0	858	1.28
772	688	Ajmera Realty & Infra India #	284	393	-27.9	450	796	19	937	15	735	4.20
773	580	Onelife Capital Advisors #	283	567	-50.0	58	947	9	946	0	870	0.03
774	991	RSWM	283	180	56.6	1,897	440	2,580	280	68	422	4.21
775	710	Reliance Broadcast Network #	281	376	-25.2	546	752	315	758	-20	917	-5.02
776	915	Can Fin Homes	281	219	27.9	4,083	263	401	725	54	473	1.64
777	869	Kitex Garments	279	254	9.8	296	858	321	754	29	628	13.90
778	925	Alembic	278	212	30.7	382	820	206	822	11	760	4.59
779	612	Jamna Auto Industries #	277	510	-45.7	578	734	1,095	483	43	536	15.13
780	NR	Arcotech #	277	56	393.6	212	892	279	774	18	719	12.41
781	731	Aptech	276	356	-22.4	333	842	120	871	25	660	9.49
782	NR	Nakoda ΔΔ	275	164	67.7	2,068	418	2,587	278	60	451	3.32
783	736	Gabriel India	273	352	-22.4	566	741	1,337	440	38	566	11.03
784	687	Gujarat Natural Resources #	273	394	-30.7	83	939	0	994	0	887	-0.43
785	NR	Syncom Formulations (India)	273	116	135.0	125	925	121	870	6	797	6.31
786	942	Sonata Software	272	203	33.8	424	807	281	772	16	728	5.04
787	648	Banco Products (India)	270	451	-40.0	561	743	493	680	35	586	7.58
788	982	Pearl Global Industries	270	186	45.6	607	718	579	645	4	809	0.82
789	840	Esaar (India) #	270	271	-0.3	46	951	1	964	0	866	0.21
790	NR	Gallantt Ispat	269	117	129.5	443	801	469	691	12	758	3.09
791	NR	Alliance Integrated Metaliks @	267	93	187.9	551	747	27	929	0	864	0.01
792	790	Goodricke Group ΔΔ	267	302	-11.7	356	832	549	661	20	700	9.65
793	805	Trident #	267	296	-10.1	3,357	311	2,784	268	-42	938	-1.56
794	NR	Deepak Nitrite	266	172	55.1	903	608	1,108	481	38	567	6.70
795	482	Orissa Sponge Iron & Steel #	265	845	-68.6	459	788	114	877	-65	948	-19.28
796	957	Nahar Spinning Mills	264	199	33.1	2,029	425	1,970	348	78	392	4.32
797	488	Tecpro Systems #	264	831	-68.3	4,333	252	2,577	281	125	302	7.07
798	826	IFB Industries	263	284	-7.4	581	732	998	514	31	609	11.15
799	947	Venus Remedies #	262	201	30.3	587	728	406	722	50	498	10.29
800	862	Thangamayil Jewellery	259	258	0.3	595	725	1,525	410	30	626	6.46

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; @ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; @@ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ^^ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

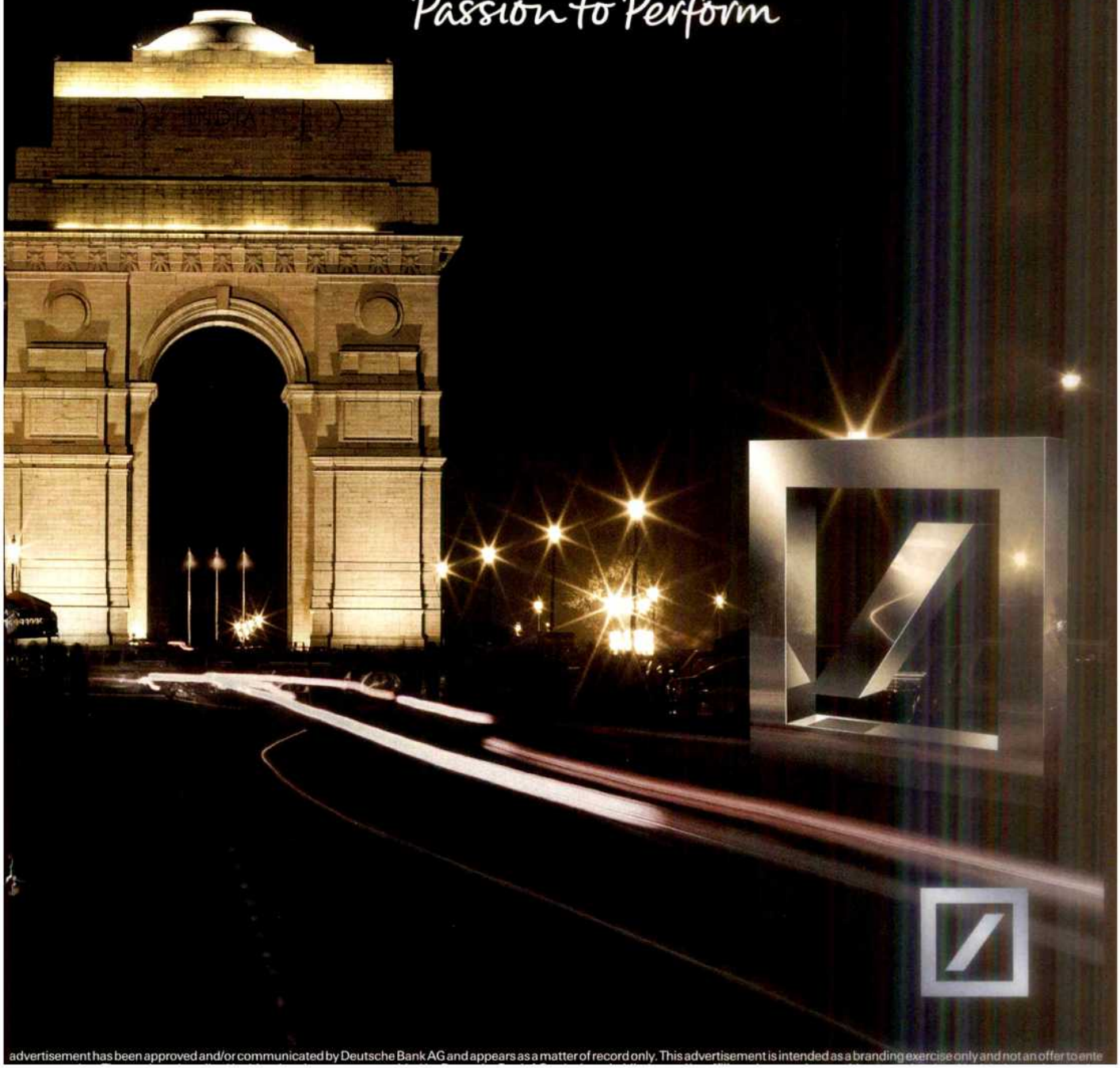
Source: CMIE Prowess

Deutsche Asset
& Wealth Management

A wealth of experience – all under one roof.

Welcome to Deutsche Asset & Wealth Management. Our new division combines all of the asset and wealth management capabilities of Deutsche Bank to offer a comprehensive selection of world-class products and solutions. We help individuals and institutions worldwide to protect and grow their wealth — offering traditional and alternative investments across all major asset classes, as well as wealth management solutions to high net worth clients and family offices.

Passion to Perform



advertisement has been approved and/or communicated by Deutsche Bank AG and appears as a matter of record only. This advertisement is intended as a branding exercise only and not an offer to ente

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
801	863	Granules India	259	258	0.3	618	713	701	599	30	623	6.71
802	NR	Somany Ceramics	259	154	67.8	620	712	1,114	480	32	607	10.46
803	706	Godawari Power & Ispat	258	378	-31.9	2,018	428	2,170	321	124	304	8.07
804	577	Genesys International Corpn	256	574	-55.3	213	891	119	873	21	693	11.87
805	784	HIL	256	307	-16.6	802	647	1,174	470	61	445	12.14
806	746	Maharaja Shree Umaid Mills	256	342	-25.2	1,037	578	538	663	54	472	6.60
807	NR	Kelvin Fincap ++	256	18	1351.6	0	1,000	0	995	0	870	0.00
808	NR	Nikki Global Finance #	255	52	390.8	12	984	1	979	0	870	0.11
809	696	AGC Networks	254	384	-34.0	807	643	644	625	-23	926	-5.61
810	855	Everest Industries	254	262	-3.2	805	646	1,086	488	53	482	13.23
811	761	Sasken Communication Tech.	253	325	-22.2	438	803	387	729	36	576	9.28
812	978	Indiabulls Securities #	252	187	35.1	650	705	171	836	-12	908	-3.04
813	557	Titagarh Wagons	251	635	-60.4	836	630	555	656	24	668	3.44
814	NR	MSR India	251	33	657.3	21	968	3	958	-11	907	-41.04
815	722	Diamond Power Infrastructure #	251	361	-30.5	1,596	478	1,667	384	108	327	9.58
816	963	Bengal & Assam Company	250	196	27.9	459	787	30	927	13	749	2.82
817	NR	Sam Leaseco #	250	NA	na	0	999	0	992	0	881	0.00
818	898	Aksh Optifibre	247	231	7.1	503	770	259	784	26	653	5.96
819	NR	Marksans Pharma #	247	57	333.0	246	880	157	848	-181	970	-64.90
820	809	Ahlcon Parenterals (India)	246	293	-15.9	103	932	120	872	13	748	18.69
821	870	Jay Shree Tea & Industries	246	253	-3.1	1,023	588	713	592	40	553	5.00
822	NR	Odyssey Corpn #	245	141	73.2	75	941	24	933	0	882	-0.23
823	913	Seshasayee Paper & Boards	245	223	9.7	1,119	557	886	542	21	696	3.09
824	846	Kokuyo Camlin	244	265	-8.0	281	867	455	696	-13	911	-7.51
825	716	Setco Automotive #	244	368	-33.7	311	851	415	717	42	540	19.84
826	912	Nucleus Software Exports	244	224	9.1	448	797	226	809	37	572	12.09
827	839	Minda Industries #	244	273	-10.7	715	676	1,230	456	33	594	8.13
828	NR	Denso India #	243	137	77.9	662	697	1,144	474	-72	953	-26.42
829	747	DCW	243	347	-30.0	1,555	482	1,440	421	105	337	10.88
830	865	Riddhi Siddhi Gluco Biols #	243	257	-5.4	1,505	491	610	636	58	457	6.37
831	891	National Peroxide	241	236	2.3	312	849	243	794	40	555	23.97
832	661	Sanghvi Movers #	241	432	-44.3	1,470	497	475	687	102	346	8.12
833	847	Balaji Telefilms	240	265	-9.4	450	795	159	847	13	744	3.23
834	834	Marathon Nextgen Realty #	238	276	-13.8	604	720	117	875	71	409	14.97
835	792	Munjal Showa	238	302	-21.2	534	761	1,730	374	61	443	18.60
836	NR	First Financial Services	237	13	1741.4	18	975	1	969	0	847	2.80
837	NR	GKW	NA	NA	na	100	933	50	917	12	751	15.21
838	NR	VKS Projects #	237	111	112.8	63	943	146	856	6	798	15.48
839	NR	Aarti Drugs	236	149	57.9	720	674	887	540	45	518	8.96
840	739	Indo Rama Synthetics (India)	235	349	-32.6	2,146	404	3,464	219	41	547	3.56
841	819	Rane Holdings	234	287	-18.4	275	869	58	910	26	652	9.98
842	478	Gokul Refoils & Solvent	234	894	-73.9	2,590	366	6,073	143	13	747	0.72
843	831	WPIL	233	278	-16.3	308	854	279	775	19	711	11.05
844	836	Kothari Products	233	275	-15.5	3,235	317	3,978	194	59	453	7.28
845	702	Asian Hotels (North)	232	382	-39.3	1,927	436	268	780	29	627	2.14
846	975	Sutlej Textiles & Industries	232	189	22.7	1,159	548	1,756	366	77	395	7.66
847	665	GTL	231	428	-45.9	7,253	182	2,216	313	-519	987	-9.04
848	571	Gammon India	231	591	-60.9	8,487	165	5,457	156	-446	984	-8.99
849	879	Century Enka	231	244	-5.3	1,172	545	1,767	365	22	680	2.30
850	867	Indian Hume Pipe Company	230	256	-10.2	805	645	701	600	23	675	5.84

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ‹‹ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowe

We create chemistry that makes compost love plastic.

Most plastics don't biodegrade, but ecovio® plastics from BASF disappear completely when composted in a controlled environment. Using compostable bags for collection of organic waste makes disposal more hygienic and convenient. Rather than ending up in landfills, the waste is turned into valuable compost. When the plastic bag you use today can mean a cleaner future for the environment, it's because at BASF, we create chemistry.

www.wecreatechemistry.com
Email: contact-us-india@basf.com

BASF
The Chemical Company

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
851	770	Binani Industries	230	318	-27.7	1,624	472	228	804	12	750	0.89
852	850	Nocil	228	264	-13.7	675	692	569	650	42	538	9.20
853	752	KNR Constructions	227	335	-32.1	954	598	710	595	52	485	10.63
854	994	Fiem Industries	227	178	27.3	434	804	668	611	27	645	9.38
855	767	Gati @	226	319	-29.2	599	723	802	564	72	406	11.27
856	844	AVT Natural Products	225	266	-15.3	214	890	258	786	51	494	35.24
857	NR	Premier Capital Services #	223	14	1532.9	5	987	0	989	0	863	1.72
858	800	Fulford (India) ΔΔ	223	298	-25.1	275	870	233	800	-5	903	-3.39
859	871	Jagatjit Industries #	223	253	-12.0	825	634	1,608	395	35	585	8.98
860	NR	Ravinay Trading Company #	223	49	357.6	28	959	1	977	0	852	2.39
861	NR	KSS #	222	63	252.5	345	836	9	947	-18	916	-5.28
862	NR	Technocraft Industries (India)	220	151	45.5	762	658	680	607	64	428	11.98
863	NR	Liberty Phosphate	220	114	93.3	357	831	473	689	32	602	12.89
864	653	Warren Tea #	219	442	-50.5	230	885	216	815	6	795	4.50
865	536	KSL & Industries #	219	698	-68.7	1,727	457	1,455	418	-93	960	-5.81
866	893	Sayaji Hotels	218	235	-7.1	218	889	139	862	-21	922	-10.45
867	691	HBL Power Systems	218	390	-44.3	1,651	470	1,295	448	20	699	1.56
868	951	Gandhi Special Tubes	217	200	8.4	165	906	110	880	22	677	15.24
869	837	Southern Petrochem. Inds. Corpn. #	217	275	-21.0	996	591	3,380	226	-6	904	-1.22
870	861	Siyaram Silk Mills	215	258	-16.8	842	627	1,067	496	55	468	10.04
871	812	Steel Strips Wheels	214	292	-26.7	1,091	564	1,088	487	25	661	3.46
872	872	Ganesh Housing Corpn	213	253	-15.8	1,032	581	171	835	43	535	4.86
873	779	Hanung Toys & Textiles #	212	311	-31.7	2,308	394	1,416	430	115	318	6.48
874	734	Wendt (India)	212	353	-39.9	159	908	99	885	10	772	13.88
875	NR	Ellenbarrie Industrial Gases #	212	304	-30.3	137	918	79	892	1	835	0.85
876	748	Bharat Bijlee	212	340	-37.7	605	719	613	633	-5	902	-1.26
877	NL	Sharda Motor Industries #	211	NA	na	455	792	880	543	28	640	10.98
878	NR	Mahindra Ugine Steel Company	211	165	27.5	507	769	1,077	491	-34	934	-7.39
879	818	Walchandnagar Industries *	210	288	-27.1	1,265	529	910	530	12	753	2.89
880	NR	Ponni Sugars (Erode)	210	140	50.5	286	863	223	811	19	706	10.25
881	728	Visagar Polytex @	210	363	-42.3	38	954	59	906	1	832	4.37
882	NR	Excel Crop Care	210	124	68.8	654	703	822	556	21	686	6.40
883	719	Vascon Engineers	210	365	-42.6	1,368	510	461	693	-31	932	-3.11
884	902	Kama Holdings	209	229	-8.9	431	805	33	925	32	603	7.70
885	NR	Bhartiya International	208	53	290.8	287	862	250	790	8	785	3.81
886	924	Sandesh #	207	213	-2.9	515	765	266	782	39	561	9.87
887	NR	Orient Abrasives	207	89	133.5	211	894	203	824	16	726	8.78
888	NR	Omkar Speciality Chemicals	207	145	42.5	283	865	221	813	21	691	9.70
889	NR	Wim Plast	207	146	42.0	153	909	288	768	28	636	24.91
890	949	Shristi Infrastructure Devp. Corpn #	206	201	2.7	309	853	125	867	-4	899	-1.94
891	796	Dhampur Sugar Mills #	206	301	-31.4	2,141	406	1,598	399	29	629	2.00
892	593	Orbit Corpn	205	542	-62.1	2,212	400	214	817	-4	900	-0.24
893	829	Shriram EPC #	205	281	-27.0	3,354	312	1,449	419	26	658	1.28
894	858	Sona Koyo Steering Systems	204	260	-21.4	836	631	1,279	453	31	619	6.04
895	883	Globus Spirits	204	241	-15.3	604	721	672	608	34	589	8.69
896	824	ZF Steering Gear (India)	204	287	-28.9	311	852	361	743	26	655	10.14
897	NR	Vandana Knitwear #	204	91	123.9	11	985	2	961	0	856	0.96
898	769	Sudarshan Chemical Industries #	202	318	-36.4	834	632	803	563	36	574	8.15
899	765	GOL Offshore	201	323	-37.8	4,693	240	1,068	495	61	444	1.64
900	NR	Stampede Capital $$	201	128	56.6	3	991	0	988	0	890	-19.37

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ‹‹ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

Air India Boeing 787
DREAMLINER
THE DREAM COMES TRUE

Pay for either Sydney or Melbourne and travel to the other one FREE!

Fly Air India Dreamliner to Australia.
Pay for one and visit both Australian cities on the same ticket!

Yes it's true! Now Air India gives you the amazing opportunity to fly either to Sydney or Melbourne and get complimentary flight to the other city on the same ticket.

Just fly from India to Australia with us and avail of this attractive offer!

Schedule:

Delhi - Sydney - Melbourne - Delhi

Flight No.	Dep.	Arr.	Day
AI 302	DEL 1300	SYD 0640+1	Mon, Tue, Thu, Sat
AI 301	SYD 0815	MEL 0950	Tue, Wed, Fri, Sun
AI 301	MEL 1130	DEL 1825	Tue, Wed, Fri, Sun

Delhi - Melbourne - Sydney - Delhi

Flight No.	Dep.	Arr.	Day
AI 302	DEL 1300	MEL 0630+1	Wed, Fri, Sun
AI 301	MEL 0800	SYD 0930	Mon, Thu, Sat
AI 301	SYD 1110	DEL 1825	Mon, Thu, Sat

Conditions apply | Flight timings subject to change

एअर इंडिया
AIR INDIA

Visit www.airindia.in | Follow us on

Delhi is Air India's Hub, well connected to multiple cities across India.

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVERALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
901	954	KCP Sugar & Industries Corpn	200	199	0.4	420	809	435	708	39	562	13.63
902	868	Gayatri Projects	200	255	-21.7	2,929	345	2,025	343	63	434	3.35
903	758	Nilkamal	200	328	-39.1	1,035	580	1,845	360	31	612	3.92
904	923	Sri Adhikari Brothers TV Network #	199	213	-6.5	224	887	53	914	2	819	0.86
905	597	United Breweries (Holdings)	199	530	-62.5	6,369	205	644	626	-167	966	-3.68
906	NR	Lakshmi Energy & Foods *	198	111	79.5	1,905	439	1,211	459	11	767	0.67
907	NR	SMS Pharmaceuticals #	198	165	20.0	492	776	234	798	1	827	0.28
908	NR	MPS	198	88	124.0	115	930	169	839	32	604	38.85
909	843	Borosil Glass Works	197	268	-26.5	661	698	160	846	20	701	3.17
910	NR	KDJ Holidayscapes & Resorts	196	27	614.4	17	977	5	954	0	858	1.00
911	NR	Atul Auto	196	112	75.2	123	927	411	719	26	654	38.61
912	NL	Pearl Agriculture ##*	195	NA	na	58	946	35	923	0	866	0.36
913	NR	Mirza International #	195	172	13.4	460	786	563	653	35	582	10.29
914	970	Parenteral Drugs (India) #	194	191	1.4	655	702	227	806	-48	943	-8.62
915	972	Vindhya Telelinks	193	190	2.0	467	782	375	736	6	796	1.63
916	753	Jyoti Structures	193	334	-42.2	2,825	354	2,856	260	65	427	4.09
917	931	Premier	193	211	-8.8	1,134	554	320	755	-172	967	-27.38
918	793	MBL Infrastructures	192	302	-36.5	1,345	517	1,344	439	55	467	7.10
919	NR	Lypsa Gems & Jewellery #	191	157	21.9	151	911	271	779	2	818	1.28
920	939	EICL	191	206	-7.4	399	815	444	704	12	756	4.00
921	980	Khoday India #	191	186	2.5	294	859	344	747	16	727	7.88
922	936	Quadrant Televentures #	190	207	-7.9	783	654	284	771	-179	969	0.00
923	928	Ricoh India	190	212	-10.1	746	665	646	622	-1	895	-0.43
924	910	Ramkrishna Forgings	190	225	-15.5	627	709	448	702	11	766	2.51
925	875	ITD Cementation India ΔΔ	189	248	-23.8	1,617	473	1,204	464	22	678	2.09
926	427	Gravita India	188	1,160	-83.8	162	907	278	776	18	718	14.89
927	759	Unity Infraprojects	187	327	-42.7	2,496	370	2,152	323	93	368	5.02
928	996	Aditya Birla Chemicals (India)	186	176	5.2	1,462	498	899	534	20	703	1.68
929	751	Phillips Carbon Black	185	337	-45.0	2,488	373	2,564	282	-21	920	-1.49
930	726	Karuturi Global #	185	359	-48.6	1,205	538	35	924	11	761	1.02
931	817	JMC Projects (India)	185	289	-36.1	1,565	480	2,561	283	18	714	2.60
932	NR	Madras Fertilizers #	NA	NA	na	814	637	2,224	312	112	324	30.55
933	781	Industrial Investment Trust	182	309	-41.2	539	757	15	940	9	782	2.81
934	960	India Nippon Electricals	181	197	-8.3	271	872	309	760	28	635	14.52
935	757	Navin Fluorine Intl.	180	329	-45.3	947	599	573	647	43	534	7.38
936	683	Safal Herbs #	180	400	-55.0	13	981	1	975	0	866	0.28
937	NR	Sinclairs Hotels #	179	169	5.5	94	936	17	938	3	813	4.01
938	969	Jindal Worldwide #	179	192	-6.8	287	861	510	672	15	734	7.06
939	864	Andhra Cementsφ	178	257	-30.6	870	623	58	909	10	773	1.58
940	966	Tourism Finance Corpn of India	178	194	-8.0	1,394	506	182	831	56	465	4.42
941	907	Amrutanjan Health Care	178	226	-21.2	128	922	148	853	12	754	11.93
942	NR	Vikas Globalone #	178	74	141.7	81	940	121	869	9	780	15.90
943	NR	Arvind Remedies	177	123	43.8	842	626	705	598	41	549	6.73
944	NR	Rajapalayam Mills	177	145	21.9	544	756	358	744	24	670	5.20
945	NR	UP Hotels #	176	144	21.8	98	934	75	896	11	768	15.77
946	814	Mcnally Bharat Engineering Co.	176	289	-39.2	2,673	362	2,191	317	39	564	4.20
947	656	Zuari Global #	174	440	-60.4	659	701	1,305	446	48	507	3.43
948	881	Repro India	174	242	-28.2	453	793	385	731	38	565	10.63
949	929	JVL Agro Industries #	172	212	-18.5	1,347	516	2,967	253	35	583	7.79
950	894	Kalyani Steels	172	234	-26.4	885	616	1,033	504	24	669	4.19

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; φ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; φφ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ‹‹ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

TIRUmani

Let luxury greet you and embelish your life

Queens Park, Ballygunge, Kolkata

2B+G+20, 54 units of 4 BHK & Duplex Apartments with Swimming Pool, Gymnasium, Banquet, Library and Indoor Games

Winner of **'Best Residential Project in the Ultra-Luxury Segment (70% Completed Category) in Eastern India'** in the CNBC Awaaz Real Estate Awards 2012

CREDAI
Confederation of Real Estate Developers' Associations of India

mani
changeforgood

Corp. Off :
9-IT Chambers, Mani Square, 164/1 Maniktala Main Road, Kolkata - 700 054
Ph : +91 9831568890, 033 2340 7100

BT500 INDIA'S MOST VALUABLE COMPANIES/ The Next 500

OVER ALL RANKS Rise Fall No Change

RANK 2013	RANK 2012^	COMPANY	AVERAGE MARKET CAPITALISATION (₹ cr) Apr-Sep 2013	Apr-Sep 2012	Growth %	TOTAL ASSETS (₹ cr) 2012/13	Rank 2013	TOTAL INCOME (₹ cr) 2012/13	Rank 2013	NET PROFIT (₹ cr) 2012/13	Rank 2013	ROCE (%) 2012/13
951	935	Shalimar Paints	172	207	-16.9	367	827	603	639	11	764	7.81
952	926	Mukand	171	212	-19.3	5,290	226	2,613	275	-39	936	-1.60
953	358	Blue Circle Services #	171	1,568	-89.1	32	956	3	959	2	821	6.09
954	899	DFM Foods	170	230	-26.0	144	915	228	805	6	793	6.53
955	NR	Arihant Superstructures #	170	168	1.0	127	924	69	900	8	786	10.50
956	NR	Kovai Medical Center & Hospital	170	111	52.7	347	835	300	762	21	687	7.34
957	889	DIC India ΔΔ	170	236	-27.9	456	790	797	565	22	685	7.10
958	832	Consolidated Construction Cons.	170	277	-38.6	2,913	349	817	559	-58	945	-4.55
959	815	Seamec	169	289	-41.6	567	740	362	742	34	591	7.51
960	766	Ahluwalia Contracts (India)	168	321	-47.6	1,043	576	1,429	425	-76	954	-16.05
961	853	Wagend Infra Venture #	168	263	-36.0	23	966	26	930	1	832	8.51
962	NR	Bannari Amman Spinning Mills	168	102	64.1	718	675	561	654	27	644	4.53
963	NR	VHCL Industries #	167	40	320.2	144	913	229	803	7	791	24.98
964	499	Asian Hotels (East)	167	287	-42.0	879	619	114	876	32	606	3.94
965	NR	Looks Health Services +	167	24	581.7	4	989	0	987	0	889	0.00
966	NR	Moryo Industries #	166	5	3223.2	2	992	0	995	0	874	-0.50
966	NR	Winsome Yarns #	166	153	8.6	813	639	455	697	-32	933	-4.94
968	NR	LT Foods	166	108	53.7	1,282	523	1,668	383	34	592	3.14
969	908	Oil Country Tubular	166	225	-26.4	574	738	505	673	36	577	7.57
970	NR	Genus Power Infrastructures	166	150	10.7	932	602	712	594	45	526	5.78
971	927	Gujarat Apollo Industries	165	212	-22.0	262	877	234	799	22	682	10.84
972	838	Garware Polyester	165	274	-39.6	973	594	829	550	28	638	3.75
973	993	Global Offshore Services	165	179	-8.0	721	673	181	832	50	497	7.16
974	NR	Modern India	165	114	45.2	166	904	455	695	5	803	7.10
975	806	Oricon Enterprises	163	295	-44.8	544	754	91	890	13	742	2.65
976	778	Everest Kanto Cylinder	162	312	-47.9	911	607	286	770	-48	942	-6.02
977	828	Prakash Steelage	162	283	-42.7	536	759	828	552	14	739	3.90
978	NR	Dhanleela Investments & Trdg. Co.#	161	2	9254.1	1	997	0	989	0	887	0.00
979	794	Oswal Agro Mills #	161	302	-46.7	571	739	21	934	-47	941	-8.22
980	981	MSP Steel & Power	161	186	-13.6	1,983	430	1,028	505	26	656	1.72
981	943	Emami Paper Mills	160	202	-20.8	798	649	528	666	12	759	1.65
982	772	Shirpur Gold Refinery #	160	316	-49.4	576	736	2,559	284	-14	913	-4.91
983	NR	Indianivesh #	159	159	0.5	50	950	3	957	1	841	1.42
984	974	Garden Silk Mills	159	189	-15.8	2,369	387	4,039	191	-101	961	-5.65
985	808	Career Point	159	293	-45.8	362	829	77	894	15	731	4.72
986	938	Nitesh Estates #	159	206	-23.1	616	714	79	893	-5	901	-0.92
987	NR	Pricol	158	158	0.1	584	731	949	522	16	729	4.03
988	385	Tulip Telecom $	157	1,346	-88.3	4,565	246	4,133	188	433	148	10.45
989	NR	JMT Auto	157	80	96.8	382	819	364	740	12	755	4.01
990	732	Cmi FPE	157	355	-55.9	548	748	565	652	-1	893	-0.53
991	897	Jai Balaji Industries Ω	157	231	-32.3	4,258	254	1,718	378	-213	973	-7.46
992	NR	Manjushree Technopack	156	112	39.5	427	806	440	706	24	667	8.33
993	NR	Vardhman Holdings	155	142	9.2	206	897	14	942	11	761	6.33
994	NR	DS Kulkarni Developers	154	154	0.1	1,354	514	59	907	18	715	2.13
995	955	Lumax Auto Technologies	154	199	-22.6	239	882	470	690	22	676	21.32
996	NR	Urja Global #	154	134	14.2	117	929	106	881	1	840	0.91
997	827	Ruby Mills #	153	284	-46.1	1,064	572	251	788	58	454	7.61
998	852	Munjal Auto Industries	152	264	-42.3	325	847	786	570	39	559	19.22
999	995	Datamatics Global Services #	152	177	-14.3	386	818	173	833	22	679	6.45
1,000	NR	Helios & Matheson Information Tech.*	151	62	146.3	560	744	308	761	21	689	4.13

^Ranks as published in last year's BT500; Parameter ranks are for within the Top 1,000 companies; Ranks have been assigned based on multiple decimals; because of rounding off, some ranks may appear incorrect; Results are audited and standalone; Figures in Bracket denote negative value.NA: Not available; na: Not applicable; NL: Not listed on the bourses; NR: Not ranked last year; All data for FY ended March 2013 unless otherwise indicated - # 12 months ended March 2012; ## 15 months ended June 2012; #### 15 months ended June 2011; + 6 months ended March 2012; Ω 9 months ended March 2013; ψ 9 months ended March 2012; ##* 9 months ended December 2012; $18 months ended Sep 2012; ΔΔ 12 months ended Dec 2012; Δ 12 months ended June 2013; $$ 12 months ended March 2011; * 12 months ended Sep 2012; @ 12 months ended June 2012; ψψ 12 months ended June 2011; ** 12 months ended Sep 2011; ++ 12 months ended March 2010; ΩΩ 12 months ended March 2009; ≪ 12 months ended Dec 2011; ^^ 18 months ended March 2012; @@ 15 months ended March 2013

See methodology at page No. 98; Check the performance of the BT500 companies over the past five years at www.businesstoday.in/bt500

Source: CMIE Prowess

30 Years
SCHUNK
Grippers
1983 – 2013
TRIBOS-SVL
Tool extension
3 µ run-out accuracy
TRIBOS-S
Polygonal clamping technology
up to 85,000 rpm
TRIBOS-R
Polygonal clamping technology
60 % better vibration damping
Jens Lehmann, Brand Ambassador of SCHUNK, the family-owned company
Your machine center.
It's time to make use of your machine's full potential.
www.in.schunk.com/machine-potential
Superior Clamping and Gripping
SCHUNK

Alphabetical Index of Companies Ranked

BT 1000 RANK	COMPANY	PAGE
3		
770	3I Infotech	130
202	3M India	108
A		
839	Aarti Drugs	132
523	Aarti Industries	120
419	Aban Offshore	116
100	ABB India	102
236	Abbott India	108
361	ABG Shipyard	114
60	ACC	102
504	Accelya Kale Solutions	120
62	Adani Enterprises	102
43	Adani Ports & SEZ	100
101	Adani Power	104
739	Adhunik Metaliks	128
928	Aditya Birla Chemicals (India)	136
93	Aditya Birla Nuvo	102
403	Advanta	116
628	Aegis Logistics	124
809	AGC Networks	132
393	Agro Tech Foods	114
820	Ahlcon Parenterals (India)	132
960	Ahluwalia Contracts (India)	138
688	Ahmednagar Forgings	126
238	AIA Engineering	108
293	Ajanta Pharma	110
772	Ajmera Realty & Infra India	130
818	Aksh Optifibre	132
183	Akzo Nobel India	106
778	Alembic	130
256	Alembic Pharmaceuticals	110
174	Allahabad Bank	106
407	Allcargo Logistics	116
791	Alliance Integrated Metaliks	130
431	Alok Industries	116
279	Alstom India	110
210	Alstom T&D India	108
185	Amara Raja Batteries	106
45	Ambuja Cements	100
941	Amrutanjan Health Care	136
350	Amtek Auto	112
294	Amtek India	110
336	Anant Raj	112
189	Andhra Bank	106
939	Andhra Cements	136
453	Andhra Pradesh Paper Mills	118
722	Andhra Sugars	128
681	Andrew Yule & Company	126
753	Ansal Properties & Infra	130
379	Anukaran Comm Enterprises	114
643	Apar Industries	124
680	APL Apollo Tubes	126
94	Apollo Hospitals Enterprise	102
206	Apollo Tyres	108
781	Aptech	130
780	Arcotech	130
602	Aricent Infra	124
955	Arihant Superstructures	138
297	Arvind	110
943	Arvind Remedies	136
494	Asahi India Glass	118
729	Ashapura Minechem	128
629	Ashiana Housing	124
177	Ashok Leyland	106
466	Ashoka Buildcon	118
964	Asian Hotels (East)	138
845	Asian Hotels (North)	132
32	Asian Paints	100
746	Astra Microwave Products	128
415	Astral Poly Technik	116
309	Astrazeneca Pharma India	112
737	Atlanta	128
455	Atul	118
911	Atul Auto	136
168	Aurobindo Pharma	106
692	Automotive Axles	126
856	AVT Natural Products	134
20	Axis Bank	100
B		
23	Bajaj Auto	100
208	Bajaj Corp	108
325	Bajaj Electricals	112
145	Bajaj Finance	104
107	Bajaj Finserv	104
437	Bajaj Hindusthan	116
116	Bajaj Holdings & Investment	104
833	Balaji Telefilms	132
271	Balkrishna Industries	110
470	Ballarpur Industries	118
445	Balmer Lawrie & Company	116
623	Balmer Lawrie Invsts.	124
435	Balrampur Chini Mills	116
677	Banas Finance	126
787	Banco Products (India)	130
50	Bank Of Baroda	100
86	Bank Of India	102
225	Bank Of Maharashtra	108
962	Bannari Amman Spinning Mills	138
465	Bannari Amman Sugars	118
264	BASF India	110
166	Bata India	106
162	Bayer Cropscience	106
536	BEML	120
816	Bengal & Assam Company	132
130	Berger Paints India	104
498	BF Utilities	118
439	BGR Energy Systems	116
718	Bhansali Engineering Polymers	128
876	Bharat Bijlee	134
111	Bharat Electronics	104
165	Bharat Forge	106
33	Bharat Heavy Electricals	100
49	Bharat Petroleum Corporation	100
11	Bharti Airtel	100
42	Bharti Infratel	100
885	Bhartiya International	134
105	Bhushan Steel	104
851	Binani Industries	134
652	Binny Mills	126
151	Biocon	106
312	Birla Corporation	112
719	Bliss GVS Pharma	128
953	Blue Circle Services	138
154	Blue Dart Express	106
368	Blue Star	114
499	Bombay Burmah Trading Corpn	118
381	Bombay Dyeing & Mnfg Co	114
235	Bombay Rayon Fashions	108
909	Borosil Glass Works	136
47	Bosch	100
525	Brigade Enterprises	120
128	Britannia Industries	104
543	BS	120
556	Butterfly Gandhimathi Appls	122
588	Byke Hospitality	122
C		
511	C Mahendra Exports	120
80	Cadila Healthcare	102
21	Cairn India	100
776	Can Fin Homes	130
84	Canara Bank	102
426	Capital First	116
596	Capri Global Capital	122
290	Carborundum Universal	110
985	Career Point	138
77	Castrol India	102
559	CCL International	122
675	CCL Products (India)	126
669	Ceat	126
144	Central Bank Of India	104
478	Centrum Capital	118
849	Century Enka	132
460	Century Plyboards (India)	118
262	Century Textiles & Industries	110
548	Cera Sanitaryware	120
196	CESC	106
322	Chambal Fertilisers & Chem	112
391	Chennai Petroleum Corpn	114
215	Cholamandalam Invst & Fin Co	108
728	Cigniti Technologies	128
654	Cinemax India	126
40	Cipla	100
246	City Union Bank	108
399	Clariant Chemicals (India)	114
422	Claris Lifesciences	116
199	CMC	106
990	Cmi FPE	138
5	Coal India	100
74	Colgate-Palmolive (India)	102
632	Comfort Fincap	124
764	Commex Technology	130
760	Confidence Trading Company	130
958	Consolidated Constn Consortium	138
87	Container Corporation of India	102
661	Core Education & Technologies	126
164	Coromandel International	106
171	Corporation Bank	106
351	Cox & Kings	114
311	Credit Analysis & Research	112
365	Cressanda Solutions	114
131	Crisil	104
157	Crompton Greaves	106
95	Cummins India	102
D		
46	Dabur India	100
441	Dalmia Bharat	116
999	Datamatics Global Services	138
709	DB (Intrnl) Stock Brokers	128
186	DB Corp	106
356	DB Realty	114
457	DCM Shriram Consolidated	118
829	DCW	132
480	Deepak Fert & Petrochem Corpn	118
794	Deepak Nitrite	130
378	Delta Corp	114
252	Den Networks	110
260	Dena Bank	110
828	Denso India	132
413	Development Credit Bank	116
304	Dewan Housing Finance Corpn	112
954	DFM Foods	138
891	Dhampur Sugar Mills	134
665	Dhanlaxmi Bank	126
978	Dhanleela Invest & Trdg Co	138
533	Dhanuka Agritech	120
743	Dhunseri Petrochem & Tea	128
815	Diamond Power Infrastructure	132
957	DIC India	138
656	Disa India	126
149	Dish TV India	104
601	Dishman Pharma & Chemicals	124
92	Divi'S Laboratories	102
39	DLF	100
35	Dr. Reddy'S Laboratories	100
550	Dredging Corpn of India	120
994	DS Kulkarni Developers	138
707	Dynamatic Technologies	128
E		
285	Eclerx Services	110
272	Edelweiss Financial Services	110
597	Educomp Solutions	122
118	Eicher Motors	104
920	EICL	136
267	EID-Parry (India)	110
228	EIH	108
708	EIH Associated Hotels	128
689	Elantas Beck India	126
532	Elder Pharmaceuticals	120
747	Elecon Engineering Company	128
619	Electrosteel Castings	124
476	Electrosteel Steels	118
398	Elgi Equipments	114
875	Ellenbarrie Industrial Gases	134
106	Emami	104
981	Emami Paper Mills	138
714	Empire Industries	128
169	Engineers India	106
421	Entertainment Network (India)	116
725	EPC Industrie	128
253	Era Infra Engineering	110
382	Eros International Media	114
789	Esaar (India)	130
561	Esab India	122
472	Escorts	118

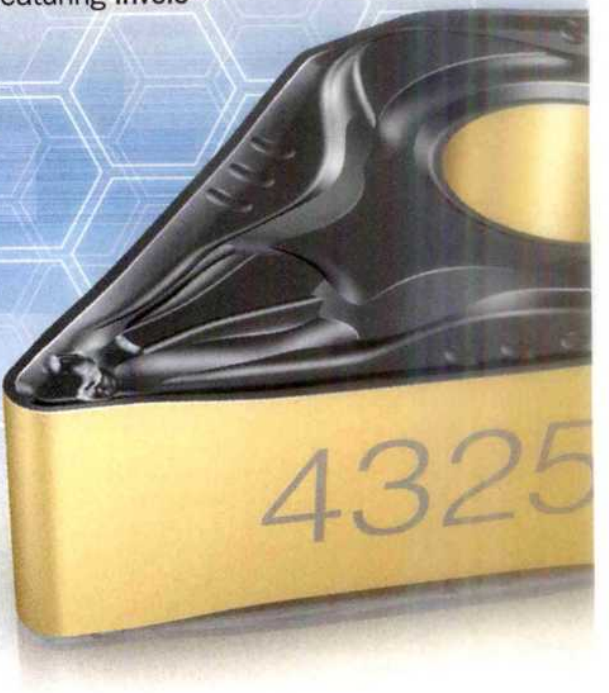
Inveio™
Uni-directional crystal orientation

SANDVIK
Coromant

New GC4325 for steel turning

Built to last longer

The first insert grade featuring **Inveio**™



An innovation at the atomic level has changed the face of metal cutting. The finely controlled structure of its coating guarantees that GC4325 shows longer tool life and more reliable wear in the widest range of steel turning applications.

It redefines the performance possibilities of ISO P25 and is everything you ever needed in one single insert.

Outstanding predictability
We even use x-ray to ensure optimum quality standards

Superior endurance
Keeps your machine running at the maximum

Redefining 'ISO P25'
The widest steel turning application

See the whole story at:
www.sandvik.coromant.com/gc4325
Techline: 1800 233 2444

BT 500 Index

BT 1000 RANK	COMPANY	PAGE
333	Ess Dee Aluminium	112
117	Essar Oil	104
221	Essar Ports	108
685	Essar Shipping	126
554	Essel Propack	122
810	Everest Industries	132
976	Everest Kanto Cylinder	138
882	Excel Crop Care	134
103	Exide Industries	104
F		
278	FAG Bearings India	110
552	Fairfield Atlas	122
341	FDC	112
143	Federal Bank	104
420	Federal-Mogul Goetze (India)	116
374	Fertilisers & Chem, Travancore	114
854	Fiem Industries	134
254	Financial Technologies (India)	110
484	Finolex Cables	118
363	Finolex Industries	114
836	First Financial Services	132
490	Firstsource Solutions	118
592	Flexituff International	122
495	Forbes & Company	118
648	Force Motors	124
191	Fortis Healthcare	106
758	Foseco India	130
303	Fresenius Kabi Oncology	112
858	Fulford (India)	134
268	Future Retail	110
395	Future Ventures India	114
G		
783	Gabriel India	130
34	GAIL (India)	100
790	Gallantt Ispat	130
848	Gammon India	132
530	Gammon Infra Projects	120
868	Gandhi Special Tubes	134
872	Ganesh Housing Corpn	134
984	Garden Silk Mills	138
972	Garware Polyester	138
404	Gateway Distriparks	116
855	Gati	134
902	Gayatri Projects	136
734	GCM Securities	128
564	Gemmia Oiltech (India)	122
804	Genesys International Corpn	132
970	Genus Power Infrastructures	138
605	Geojit BNP Paribas Fin Services	124
558	Geometric	122
720	GHCL	128
570	GIC Housing Finance	122
137	Gillette India	104
231	Gitanjali Gems	108
837	GKW	132
72	GSK Consumer Healthcare	102
67	GSK Pharmaceuticals	102
85	Glenmark Pharmaceuticals	102
694	Global Capital Market & Infra	126
321	Global Infratech & Finance	112
973	Global Offshore Services	138
895	Globus Spirits	134
135	GMR Infrastructure	104
803	Godawari Power & Ispat	132
242	Godfrey Phillips India	108
44	Godrej Consumer Products	100
112	Godrej Industries	104
192	Godrej Properties	106
502	Goenka Diamond & Jewels	120
842	Gokul Refoils & Solvent	132
899	GOL Offshore	134
792	Goodricke Group	130
528	Goodyear India	120
766	GPT Infraprojects	130
771	Grandma Trading & Agencies	130
801	Granules India	132
367	Graphite India	114
51	Grasim Industries	102
926	Gravita India	136
211	Great Eastern Shipping Co	108
344	Greaves Cotton	112
438	Greenply Industries	116
383	Grindwell Norton	114
201	Gruh Finance	108
847	GTL	132
620	GTL Infrastructure	124
396	Gujarat Alkalies & Chemicals	114
732	Gujarat Ambuja Exports	128
971	Gujarat Apollo Industries	138
239	Gujarat Fluorochemicals	108
244	Gujarat Gas Company	108
446	Gujarat Industries Power Co	116
205	Gujarat Mineral Dev Corpn	108
414	Guj Narmada Valley Fert & Chem	116
784	Gujarat Natural Resources	130
475	Gujarat NRE Coke	118
276	Gujarat Pipavav Port	110
283	Gujarat State Fert & Chem	110
223	Gujarat State Petronet	108
527	Gulf Oil Corporation	120
400	GVK Power & Infrastructure	114
H		
873	Hanung Toys & Textiles	134
198	Hathway Cable & Datacom	106
376	Hatsun Agro Products	114
123	Havells India	104
428	Hawkins Cookers	116
867	HBL Power Systems	134
513	HCL Infosystems	120
19	HCL Technologies	100
6	HDFC Bank	100
534	HEG	120
473	Heidelberg Cement India	118
1000	Helios & Matheson Info Tech	138
716	Hercules Hoists	128
587	Heritage Foods	122
37	Hero Motocorp	100
237	Hexaware Technologies	108
531	Hikal	120
805	HIL	132
454	Himachal Futuristic Comm	118
569	Himadri Chemicals & Inds	122
730	Himatsingka Seide	128
71	Hindalco Industries	102
571	Hinduja Global Solutions	122
521	Hinduja Ventures	120
518	Hindustan Construction Co	120
133	Hindustan Copper	104
462	Hindustan Media Ventures	118
573	Hindustan Oil Exploration Co	122
124	Hindustan Petroleum Corpn	104
9	Hindustan Unilever	100
28	Hindustan Zinc	100
346	Hindusthan National Glass & Inds	112
711	HHLS(India)	128
291	HMT	110
655	Honda Siel Power Products	126
287	Honeywell Automation India	110
497	Hotel Leelaventure	118
315	Housing Development & Infra	112
10	Housing Dev Finance Corpn	100
553	HSIL	122
275	HT Media	110
444	Hubtown	116
I		
13	ICICI Bank	100
429	ICRA	116
110	IDBI Bank	104
29	Idea Cellular	100
73	IDFC	102
798	IFB Industries	130
193	IFCI	106
759	IL&FS Engg & Constn Co	130
660	IL&FS Investment Managers	126
240	IL&FS Transportation Networks	108
302	India Cements	112
687	India Glycols	126
330	India Infoline	112
703	India Motor Parts & Accessories	128
934	India Nippon Electricals	136
318	India Power Corporation	112
132	India Tourism Dev Corpn	104
141	Indiabulls Housing Finance	104
639	Indiabulls Infra & Power	124
301	Indiabulls Power	112
245	Indiabulls Real Estate	108
812	Indiabulls Securities	132
173	Indian Bank	106
194	Indian Hotels Company	106
850	Indian Hume Pipe Company	132
233	Indian Infotech & Software	108
580	Indian Metals & Ferro Alloys	122
18	Indian Oil Corporation	100
179	Indian Overseas Bank	106
983	Indianivesh	138
840	Indo Rama Synthetics (India)	132
562	Indoco Remedies	122
197	Indraprastha Gas	106
742	Indraprastha Medical Corpn	128
56	IndusInd Bank	102
933	Industrial Investment Trust	136
642	Infinite Computer Solutions (I)	124
212	Info Edge (India)	108
7	Infosys	100
300	Infotech Enterprises	110
114	ING Vysya Bank	104
411	Ingersoll-Rand (India)	116
664	Innoventive Industries	126
590	Inox Leisure	122
607	Insecticides (India)	124
129	Ipca Laboratories	104
222	IRB Infrastructure Developers	108
542	Isgec Heavy Engineering	120
3	ITC	100
925	ITD Cementation India	136
610	ITI	124
600	IVRCL	122
J		
604	J Kumar Infraprojects	124
859	Jagatjit Industries	134
241	Jagran Prakashan	108
991	Jai Balaji Industries	138
469	Jai Corp	118
259	Jain Irrigation Systems	110
97	Jaiprakash Associates	102
159	Jaiprakash Power Ventures	106
153	Jammu & Kashmir Bank	106
779	Jamna Auto Industries	130
821	Jay Shree Tea & Industries	132
666	Jayaswal Neco Industries	126
207	Jaypee Infratech	108
526	JB Chemicals & Pharma	120
515	JBF Industries	120
203	Jet Airways (India)	108
614	Jindal Drilling & Industries	124
551	Jindal Poly Films	122
324	Jindal Saw	112
450	Jindal Stainless	116
53	Jindal Steel & Power	102
938	Jindal Worldwide	136
348	JK Cement	112
447	JK Lakshmi Cement	116
670	JK Paper	126
640	JK Tyre & Industries	124
327	JM Financial	112
931	JMC Projects (India)	136
989	JMT Auto	138
127	JSW Energy	104
634	JSW Holdings	124
82	JSW Steel	102
136	Jubilant Foodworks	104
298	Jubilant Life Sciences	110
180	Just Dial	106
949	JVL Agro Industries	136
243	Jyothy Laboratories	108
916	Jyoti Structures	136
K		
345	Kailash Auto Finance	112
331	Kajaria Ceramics	112
434	Kalpataru Power Transmission	116
950	Kalyani Steels	136
884	Kama Holdings	134
147	Kansai Nerolac Paints	104
611	Kappac Pharma	124
284	Karnataka Bank	110
188	Karur Vysya Bank	106
930	Karuturi Global	136
299	Kaveri Seed Company	110
691	KCP	126
901	KCP Sugar & Industries Corpn	136
910	KDJ Holidayscapes & Resorts	136
461	KEC International	118
807	Kelvin Fincap	132
443	Kennametal India	116
544	Kesoram Industries	120
464	Kewal Kiran Clothing	118
921	Khoday India	136
635	Kingfisher Airlines	124
406	Kirloskar Brothers	116
581	Kirloskar Brothers Investment	122
768	Kirloskar Ferrous Industries	130
763	Kirloskar Industries	130

NITIE Mumbai

NATIONAL INSTITUTE OF INDUSTRIAL ENGINEERING

(An autonomous body under the Ministry of HRD, Govt. of India)

ANNOUNCES ADMISSIONS TO THE FOLLOWING PROGRAMMES (2014-2016) BATCH:

PGDIM POST GRADUATE DIPLOMA IN INDUSTRIAL MANAGEMENT

PGDISEM POST GRADUATE DIPLOMA IN INDUSTRIAL SAFETY AND ENVIRONMENTAL MANAGEMENT

All the above are two-year full time programmes and approved by AICTE. For course details visit our website:**www.nitie.edu**

- 100% placement since inception
- One of the best centers for learning
- Consistently ranked among the top 10 B-schools
- Continuous interaction with industry professionals

Our Institute uses CAT Scores for short listing/selecting the candidates for our Post Graduate Programmes in Industrial Management (PGDIM) and Industrial Safety and Environmental Management (PGDISEM). The Candidates should follow the CAT advertisement of IIMs for procurement of CAT 2013 Voucher. However, IIMs have no role either in the selection process or in the conduct of the Programme.

ELIGIBILITY & SELECTION: Engineering/Technology graduates in any branch with aggregate 60% marks (relaxable by 5% in case of SC/ST/PD candidates) and with valid CAT (Common Admission Test) score. Admission is based on Group Discussion and Personal Interview with appropriate weightage to CAT score, work experience and academic performance. As per Govt. of India rules, reservation of seats exists for SC/ST/OBC and PD candidates.

SC/ST candidates are granted Central Sector Scholarship as per the scheme of Govt. of India vide letters No.11016/19/2005.SCD-1 dated 21.06.2007 and No.19012/36/-5-Education dated 27.06.2007 subject to the satisfactory fulfillment of terms and conditions mentioned therein. Final year Engineering/Technology candidates can also apply, provided they secure aggregate 60% marks in the qualifying degree and intimate before June 27, 2014. Only shortlisted candidates will be called for Group Discussion and Personal Interview at NITIE, Mumbai.

APPLICATION PROCEDURE: Interested candidates should apply separately for each programme through on-line mode only:

1.Online Application: Candidates shall fill the application form ONLINE. Application Fee of Rs.1000/- (Rs.500/- in case of SC/ST/PD candidates) and applicable bank charges can be paid in the form of challan (downloadable from NITIE website) in any branch of State Bank of India. Online payment option is also available for SBI Account holders through I-Collect facility.

Hard copy of the filled-in SUMMARY SHEET duly signed by the candidate should be sent to the address given below along with Institute's copy of the challan. For detailed instructions please visit NITIE's Official website: **www.nitie.edu**

2.Sponsored Seats: A few seats in PGDISEM are available for Sponsored Candidates. Sponsored Candidates must be from reputed Industrial Organizations/Academic Institutions. The Candidates must have aggregate 60% marks in Engineering/Technology with two years of full time work experience as on June 15th 2014. The candidates applying under the Sponsored Category should also fill-in the Sponsorship Form. For detailed instructions please visit NITIE's Official website: **www.nitie.edu**

IMPORTANT DATES:		
	Online Application Begins	October 14, 2013
	Online Application Closure	December 17, 2013

All the communications should be addressed to : ASSISTANT REGISTRAR (ACADEMIC), NITIE, Vihar Lake, P.O. NITIE, Mumbai – 400 087 . Tele. No. (022) 2857 3371. Fax : (022) 28573251/ 2857 2066, e-mail: admissions@nitie.edu, website: www.nitie.edu

NITIE will not be responsible for any postal/courier delay.

BT 1000 Index

BT 1000 RANK	COMPANY	PAGE
261	Kirloskar Oil Engines	110
578	Kirloskar Pneumatic Company	122
777	Kitex Garments	130
853	KNR Constructions	134
824	Kokuyo Camlin	132
560	Kolte Patil Developers	122
24	Kotak Mahindra Bank	100
844	Kothari Products	132
956	Kovai Medical Center & Hospital	138
273	KPIT Technologies	110
612	KPR Mill	124
576	KRBL	122
512	KSB Pumps	120
305	KSK Energy Ventures	112
865	KSL & Industries	134
861	KSS	134
577	Kwality	122

L

96	L&T Finance Holdings	102
650	La Opala R G	124
906	Lakshmi Energy & Foods	136
286	Lakshmi Machine Works	110
509	Lakshmi Vilas Bank	120
308	Lanco Infratech	112
16	Larsen & Toubro	100
863	Liberty Phosphate	134
102	LIC Housing Finance	104
281	Linde India	110
965	Looks Health Services	138
617	Lovable Lingerie	124
358	LS Industries	114
968	LT Foods	138
995	Lumax Auto Technologies	138
726	Lumax Industries	128
342	Luminaire Technologies	112
36	Lupin	100
919	Lypsa Gems & Jewellery	136

M

932	Madras Fertilizers	136
339	Magma Fincorp	112
427	Mahanagar Telephone Nigam	116
806	Maharaja Shree Umaid Mills	132
626	Maharashtra Scooters	124
364	Maharashtra Seamless	114
22	Mahindra & Mahindra	100
88	M&M Financial Services	102
593	Mahindra Forgings	122
289	Mahindra Holidays & Resorts (I)	110
326	Mahindra Lifespace Developers	112
878	Mahindra Ugine Steel Co	134
585	Man Industries (India)	122
519	Man Infraconstruction	120
744	Manaksia	128
390	Manappuram Finance	114
489	Mandhana Industries	118
749	Mangalam Cement	128
567	Mangalore Chem & Fertilizers	122
140	Mangalore Refinery & Petrochem	104
992	Manjushree Technopack	138
834	Marathon Nextgen Realty	132
89	Marico	102
819	Marksans Pharma	132
31	Maruti Suzuki India	100
752	Mastek	130
167	Max India	106
609	Mayur Uniquoters	124
918	MBL Infrastructures	136
224	Mcleod Russel India	108
946	McNally Bharat Engg Co	136
762	Media Matrix Worldwide	130
750	Mercator	128
442	Merck	116
579	Midland Polymers	122
827	Minda Industries	132
204	MindTree	108
913	Mirza International	136
91	MMTC	102
974	Modern India	138
216	MOIL	108
467	Monnet Ispat & Energy	118
433	Monsanto India	116
966	Moryo Industries	138
98	Motherson Sumi Systems	102
412	Motilal Oswal Financial Services	116
644	Mount Everest Mineral Water	124
121	MphasiS	104
908	MPS	136
158	MRF	106
980	MSP Steel & Power	138
814	MSR India	132
673	MT Educare	126
952	Mukand	138
214	MCX	108
998	Munjal Auto Industries	138
835	Munjal Showa	132
187	Muthoot Finance	106

N

796	Nahar Spinning Mills	130
782	Nakoda	130
755	Nalwa Sons Invsts	130
343	Natco Pharma	112
125	National Aluminium Company	104
347	National Buildings Constn Corpn	112
323	National Fertilizers	112
831	National Peroxide	132
355	Nava Bharat Ventures	114
935	Navin Fluorine Intl	136
373	Navneet Education	114
529	NCC	120
424	NCL Research & Fin Services	116
733	Nectar Lifesciences	128
440	Nesco	116
27	Nestle India	100
217	Network18 Media & Investment	108
582	New Delhi Television	122
584	Newtime Infrastructure	122
108	Neyveli Lignite Corporation	104
55	NHPC	102
712	NIIT	128
338	NIIT Technologies	112
808	Nikki Global Finance	132
903	Nilkamal	136
769	Nirlon	130
986	Nitesh Estates	138
388	Nitin Fire Protection Industries	114
30	NMDC	100
852	Nocil	134
653	Noida Toll Bridge Company	126
705	North Eastern Carrying Corpn	128
349	Novartis India	112
713	NRB Bearings	128
12	NTPC	100
826	Nucleus Software Exports	132

O

139	Oberoi Realty	104
487	OCL India	118
727	OCL Iron & Steel	128
822	Odyssey Corporation	132
4	Oil & Natural Gas Corporation	100
969	Oil Country Tubular	138
41	Oil India	100
257	Omaxe	110
888	Omkar Speciality Chemicals	134
773	Onelife Capital Advisors	130
698	Onmobile Global	126
481	Opto Circuits (India)	118
54	Oracle Fin Services Software	102
892	Orbit Corporation	134
682	Orchid Chemicals & Pharma	126
975	Oricon Enterprises	138
887	Orient Abrasives	134
493	Orient Cement	118
520	Orient Green Power Company	120
702	Orient Refractories	128
152	Oriental Bank Of Commerce	106
748	Oriental Hotels	128
377	Orissa Minerals Dev Co	114
795	Orissa Sponge Iron & Steel	130
674	Oscar Investments	126
979	Oswal Agro Mills	138
603	Oswal Greentech	124
352	Out Of City Travel Solutions	114

P

184	Page Industries	106
537	Panacea Biotec	120
397	Pantaloons Fashion & Retail	114
657	Paper Products	126
914	Parenteral Drugs (India)	136
370	Parsvnath Developers	114
767	Patel Engineering	130
641	Pawansut Holdings	124
317	PC Jeweller	112
912	Pearl Agriculture	136
788	Pearl Global Industries	130
423	Peninsula Land	116
757	Pennar Industries	130
288	Persistent Systems	110
109	Petronet LNG	104
226	Pfizer	108
929	Phillips Carbon Black	136
213	Phoenix Mills	108
314	PI Industries	112
90	Pidilite Industries	102
452	Pilani Investment & Inds Corpn	118
292	Pine Animation	110
181	Pipavav Def & Offshore Engg Co	106
115	Piramal Enterprises	104
508	Piramal Glass	120
574	Plethico Pharmaceuticals	122
715	PNB Gilts	128
418	Polaris Financial Technology	116
575	Poly Medicure	122
624	Polyplex Corporation	124
880	Ponni Sugars (Erode)	134
66	Power Finance Corporation	102
26	Power Grid Corpn of India	100
535	Praj Industries	120
625	Prakash Industries	124
977	Prakash Steelage	138
754	Pratibha Industries	130
917	Premier	136
857	Premier Capital Services	134
170	Prestige Estates Projects	106
987	Pricol	138
540	Prime Focus	120
316	Prism Cement	112
583	Priti Mercantile Company	122
120	P&G Hygiene & Health Care	104
684	Prozone Cap Shopping Centres	126
354	PTC India	114
510	PTC India Financial Services	120
401	Punj Lloyd	116
385	Punjab & Sind Bank	114
57	Punjab National Bank	102
310	Puravankara Projects	112
369	PVR	114

Q

922	Quadrant Televentures	136

R

756	R Systems International	130
615	Radford Global	124
357	Radico Khaitan	114
386	Rain Industries	114
501	Rainbow Papers	120
630	Raj Television Network	124
944	Rajapalayam Mills	136
219	Rajesh Exports	108
250	Rallis India	108
176	Ramco Cements	106
659	Ramco Industries	126
924	Ramkrishna Forgings	136
761	Ramky Infrastructure	130
76	Ranbaxy Laboratories	102
700	Rander Corporation	126
841	Rane Holdings	132
306	Rashtriya Chem & Fertilizers	112
295	Rasoya Proteins	110
549	Ratnamani Metals & Tubes	120
860	Ravinay Trading Company	134
353	Raymond	114
248	Redington (India)	108
425	Rei Agro	116
483	Relaxo Footwears	118
775	Reliance Broadcast Network	130
122	Reliance Capital	104
52	Reliance Communications	102
586	Reliance Industrial Infra	122
2	Reliance Industries	100
113	Reliance Infrastructure	104
616	Reliance Mediaworks	124
69	Reliance Power	102
182	Religare Enterprises	106
371	Repco Home Finance	114
948	Repro India	136
269	Responsive Industries	110
923	Ricoh India	136
830	Riddhi Siddhi Gluco Biols	132
405	Risa International	116
545	Rollatainers	120
456	Rolta India	118
774	RSWM	130

The answer to climate change, is change.

Change, from the way we now produce and consume energy to a greener mix of oil and coal powered energy coupled with the use of natural gas as an energy source. Natural gas emits an estimated 40-70% less carbon dioxide than other fuels, reducing the growing pressure on our ecosytem. Moreover, LNG results in virtually no atmospheric emissions of sulphur dioxide and particulate matter. Petronet LNG is leading this change for a better environment by continuously striving for doing things the greener way.

PETRONET LNG LIMITED

www.petronetlng.com

Petronet LNG Limited
World Trade Centre, 1st Floor, Babar road, Barakhamba Lane, New Delhi-110001 (INDIA)

BT 1000 RANK	COMPANY	PAGE
997	Ruby Mills	138
621	Ruchi Infrastructure	124
307	Ruchi Soya Industries	112
380	Rupa & Company	114
70	Rural Electrification Corpn	102
606	Rutron International	124

S

485	S Mobility	118
738	Sabero Organics Gujarat	128
375	Sadbhav Engineering	114
936	Safal Herbs	136
701	Sagar Cements	128
817	Sam Leaseco	132
886	Sandesh	134
678	Sandur Manganese & Iron Ores	126
693	Sanghi Industries	126
832	Sanghvi Movers	132
156	Sanofi India	106
451	Sanwaria Agro Oils	118
706	Sarda Energy & Minerals	128
811	Sasken Communication Tech	132
546	Savita Oil Technologies	120
866	Sayaji Hotels	134
334	Schneider Electric Infra	112
340	SE Investments	112
959	Seamec	138
637	Selan Exploration Technology	124
721	Sequent Scientific	128
63	Sesa Sterlite	102
823	Seshasayee Paper & Boards	132
825	Setco Automotive	132
951	Shalimar Paints	138
631	Shanthi Gears	124
877	Sharda Motor Industries	134
704	Sharon Bio-Medicine	128
668	Shasun Pharmaceuticals	126
539	Shilpa Medicare	120
328	Shipping Corporation of India	112
982	Shirpur Gold Refinery	138
230	Shoppers Stop	108
81	Shree Cement	102
572	Shree Ganesh Jewellery House (I)	122
468	Shree Global Tradefin	118
683	Shree Ram Urban Infra	126
384	Shree Renuka Sugars	114
595	Shree Shaleen Textiles	122
449	Shrenuj & Company	116
160	Shriram City Union Finance	106
893	Shriram EPC	134
79	Shriram Transport Finance Co	102
890	Shristi Infra Devp. Corpn	134
723	Sical Logistics	128
75	Siemens	102
488	Signet Industries	118
647	Simplex Infrastructures	124
937	Sinclairs Hotels	136
410	Sintex Industries	116
459	Siti Cable Network	118
870	Siyaram Silk Mills	134
126	SJVN	104
247	SKF India	108
394	SKS Microfinance	114
646	SML Isuzu	124
907	SMS Pharmaceuticals	136
220	Sobha Developers	108
332	Solar Industries India	112
506	Som Distilleries & Breweries	120
802	Somany Ceramics	132
894	Sona Koyo Steering Systems	134
786	Sonata Software	130
232	South Indian Bank	108
869	Southern Petrochem Inds Corpn	134
507	Speciality Restaurants	120
362	SpiceJet	114
522	Sreeleathers	120
409	SREI Infrastructure Finance	116
471	SRF	118
904	Sri Adhikari Bros TV Network	136
389	SRK Industries	114
599	SRS	122
486	SRS Real Infrastructure	118
900	Stampede Capital	134
249	State Bank of Bikaner & Jaipur	108
8	State Bank of India	100
258	State Bank of Mysore	110
263	State Bank of Travancore	110
482	State Trading Corpn of India	118
61	Steel Authority of India	102
662	Steel Exchange India	126
871	Steel Strips Wheels	134
622	Sterling Holiday Resorts (I)	124
479	Sterlite Technologies	118
175	Strides Arcolab	106
500	Styrolution ABS (india)	118
658	Suashish Diamonds	126
898	Sudarshan Chemical Industries	134
448	Sulabh Engineers & Services	116
227	Sun Pharma Advanced Research	108
14	Sun Pharmaceutical Industries	100
78	Sun TV Network	102
155	Sundaram Finance	106
636	Sundaram Multi Pap	124
557	Sundaram-Clayton	122
503	Sundram Fasteners	120
740	Sunflag Iron & Steel Company	128
335	Sunrise Asian	112
265	Sunteck Realty	110
645	Suprajit Engineering	124
190	Supreme Industries	106
724	Supreme Infrastructure India	128
568	Supreme Petrochem	122
627	Surabhi Chem & Investments	124
672	Surana Industries	126
735	Surya Roshni	128
846	Sutlej Textiles & Industries	132
710	Suven Life Sciences	128
296	Suzlon Energy	110
430	Swan Energy	116
563	Swaraj Engines	122
416	Symphony	116
785	Syncom Formulations (India)	130
150	Syndicate Bank	104

T

676	Taj GVK Hotels & Resorts	126
690	Take Solutions	126
695	Talwalkars Better Value Fitness	126
538	Tamil Nadu Newsprint & Papers	120
745	Tara Jewels	128
134	Tata Chemicals	104
274	Tata Coffee	110
163	Tata Communications	106
1	Tata Consultancy Services	100
565	Tata Elxsi	122
119	Tata Global Beverages	104
280	Tata Investment Corporation	110
17	Tata Motors	100
65	Tata Power Company	102
638	Tata Sponge Iron	124
48	Tata Steel	100
372	Tata Teleservices (Maharashtra)	114
496	TD Power Systems	118
64	Tech Mahindra	102
541	Techno Electric & Engg Co	120
862	Technocraft Industries (India)	134
797	Tecpro Systems	130
730	Texmaco Infra & Holdings	128
524	Texmaco Rail & Engineering	120
800	Thangamayil Jewellery	130
138	Thermax	104
387	Thomas Cook (India)	114
547	Tide Water Oil Company (India)	120
514	Tilaknagar Industries	120
492	Time Technoplast	118
432	Timken India	116
651	Tinplate Company Of India	126
813	Titagarh Wagons	132
58	Titan Industries	102
142	Torrent Pharmaceuticals	104
172	Torrent Power	106
940	Tourism Finance Corpn of India	136
671	Transport Corporation of India	126
463	Tree House Edu & Accessories	118
218	Trent	108
392	Tribhovandas Bhimji Zaveri	114
793	Trident	130
697	Triveni Engineering & Inds	126
319	Triveni Turbine	112
663	TTK Healthcare	126
200	TTK Prestige	106
251	Tube Investments of India	108
988	Tulip Telecom	138
477	Turbotech Engineering	118
633	TV Today Network	124
195	TV18 Broadcast	106
337	TVS Motor Company	112

U

178	Uco Bank	106
608	Uflex	124
649	Ujaas Energy	124
25	UltraTech Cement	100
360	Unichem Laboratories	114
104	Union Bank of India	104
589	Unisys Softwares & Holding Inds	122
161	Unitech	106
320	United Bank of India	112
68	United Breweries	102
905	United Breweries (Holdings)	136
148	United Phosphorus	104
38	United Spirits	100
927	Unity Infraprojects	136
366	Unno Industries	114
945	UP Hotels	136
996	Urja Global	138
516	Usha Martin	120
408	Ushdev International	116
474	Uttam Galva Steels	118
458	Uttam Value Steels	118

V

402	VA Tech Wabag	116
591	Vaibhav Global	122
209	Vakrangee Softwares	108
897	Vandana Knitwear	134
993	Vardhman Holdings	138
313	Vardhman Textiles	112
883	Vascon Engineers	134
618	Venky'S (India)	124
799	Venus Remedies	130
505	Vesuvius India	120
359	V-Guard Industries	114
963	VHCL Industries	138
146	Videocon Industries	104
277	Vijaya Bank	110
942	Vikas Globalone	136
741	Vikas WSP	128
594	Vinati Organics	122
915	Vindhya Telelinks	136
491	VIP Industries	118
751	Visa Steel	130
881	Visagar Polytex	134
699	Visesh Infotecnics	126
679	Vivimed Labs	126
838	VKS Projects	132
765	V-Mart Retail	130
667	Voltamp Transformers	126
255	Voltas	110
266	VST Industries	110
717	VST Tillers Tractors	128

W

234	Wabco India	108
961	Wagend Infra Venture	138
879	Walchandnagar Industries	134
864	Warren Tea	134
417	Welspun Corporation	116
555	Welspun India	122
874	Wendt (India)	134
696	West Coast Paper Mills	126
229	Westlife Development	108
517	Wheels India	120
270	Whirlpool of India	110
889	Wim Plast	134
966	Winsome Yarns	138
15	Wipro	100
99	Wockhardt	102
843	WPIL	132
329	Wyeth	112

Y

598	Ybrant Digital	122
83	YES Bank	102

Z

59	Zee Entertainment Enterprises	102
566	Zee Learn	122
735	Zee Media Corporation	128
436	Zensar Technologies	116
896	ZF Steering Gear (India)	134
686	Zodiac Clothing Company	126
613	Zuari Agro Chemicals	124
947	Zuari Global	136
282	Zydus Wellness	110

The Basics of Investing in Stocks

Equity is the only asset class that has delivered inflation beating returns in the long run

The lure of stock markets can tempt investors, especially when they hear about the gains made by other people. However, that should not be the only incentive for you to invest in the markets. There are several other compelling reasons for one to invest in the stock markets. Primarily, equity is the one asset class which has the potential to beat inflation in the long run. For instance, if there was a 6 per cent inflation rate for the next 20 years, a Rs 100 purchase today would cost Rs 321 in 20 years. This is why it is important to consider inflation as a factor in any long-term investment strategy.

Broadly speaking, there are two basic approaches to stock picking: one based on an assessment of economic and market factors, known as a top-down approach and one based exclusively on analysis of individual stocks known as bottom-up approach. Investors—including professionals such as mutual fund managers—sometimes combine both approaches in selecting stocks.

How to pick stocks

When selecting a stock to invest, the most basic measure is the company's earnings. After all, when you buy a stock, you are acquiring a piece of the company, so profitability is an important consideration. Moreover, the business can pay you for your ownership stake in several ways. It can give you a portion of the profits, which for shareholders comes in the form of a periodic dividend. It can continue to expand the business, reinvesting money earned to increase profitability and raise the overall value of the business. In such cases, a more valuable business makes each piece, or share, of the business more valuable. In such a scenario, the more valuable share merits a higher price, giving the share's owner capital appreciation, also known as a rising stock price.

Not every company pays a dividend. In fact, many fast-growing companies prefer to reinvest their cash rather than pay a dividend. Large, steadier companies are more likely to pay a dividend than are their smaller, more volatile counterparts. However, the most common measure for stocks is the price to earnings ratio, known as the PE. This measure, available in stock tables, takes the share price and divides it by a company's annual net income. So a stock trading for Rs 20 and boasting annual net income of Rs 2 a share would have a price/earnings ratio, or PE, of 10.

While PE is a good indicator to evaluate a stock that you are planning to invest in, remember that it is not the only indicator that you should look at. Historically, stocks on the S&P BSE have averaged a PE in the mid teens, though in recent years, the market PE has been higher, often bordering in the 20s. As a general rule of thumb, stocks with PEs higher than the broader market PE are considered expensive, while stocks with a below-market PE are considered cheaper.

To learn more about investment,

SMS 'EDU IT' to 5676766
or mail at
learning@icicisecurities.com
or log on to
http://learning.icicidirect.com

Why invest online?

Convenience
Control
Low fees
Flexibility
Diversification

The other popular measures include the dividend yield, price-to-book and, sometimes, price-to-sales. These are simple ratios that examine the stock price against the second figure, and these measures can also be easily found by studying stock tables. Investors seeking better value seek out stocks paying higher yields than the overall market, but that's just one consideration for an investor when deciding whether or not to purchase a stock.

With dematerialisation of stocks being a must, you can buy stocks by investing online. There are several online routes that you can adopt to start investing in stocks from the click of a button on your computer. With banks and brokerages with wide online presence, you can choose an online investing plan that suits your investing pattern and needs. You can use online resources to learn about basic stock investing and participate in investor education and awareness programmes. The value of such learning is best experienced when one starts to follow investments closely.

"Access the stock market from wherever you are, with ICICIdirect.com."

To know more, log on to **www.icicidirect.com** or sms **'IDIRECT EQ'** to **5676766.**

ICICI direct.com
Investments on Your Fingertips

ICICI Securities Ltd.

Securities Ltd (I-Sec): Registered office of I-Sec is at ICICI Securities Ltd. - ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020, India, Tel No : 022 - 2288 2460, 022 - 2288 2470. I-Sec is a Member of National Stock Exchange of India Ltd., SEBI Regn. No. INB/INF/INE230773037 (CM), SEBI Regn No. INE230773037 (CD), Bombay Stock Exchange Ltd., SEBI Regn. No. INB011286854 (CM), SEBI Regn No. INF010773035 (F&O). Name of the Compliance officer: Ms. Mamta Jayaram Shetty, Contact number: 022-40701000, E-mail address: complaints@icicisecurities.com. Kindly read the Risk ... Disclosure Documents carefully before investing in Equity Shares, Derivatives or other instruments traded on the Stock Exchanges. The contents herein above shall not be considered as an invitation or persuasion to trade or invest. Investors should make independent judgment with respect suitability, profitability, ...

Congratulations Winners!

Indian business salutes the spirit of excellence of your achievements

Winners of 2013 along with Chief Guest **Shri M. Veerappa Moily**, Union Minister of Petroleum and Natural Gas, Government of India, Guest of Honor **M. Damodaran**, Former Chairman of SEBI, **Chaitanya Kalbag**, Editor Business Today and **Amit Kumar**, Group President and Country Head – Corporate Banking, YES BANK.

CALCUTTA UNIVERSITY
CENTRAL LIBRARY

INDIA TODAY GROUP

YES BANK

presents

business today

EMERGING COMPANIES excellence awards 2013

Congratulations to the winners of **Business Today Emerging Companies Excellence Awards 2013**, presented by **YES BANK**. Your achievements reaffirm what is common knowledge – emerging companies are the real engines of sustainable growth for India.

Thank you partners and participants for helping us recognise India's most promising powerhouses of tomorrow.

Procedure Reviewer

pwc

Official TV Partner

ET NOW

Manipal's Other Pai

Business has grown 21-fold in nine years, thanks to low-key MD Gautham Pai's talent for teaming up with strategic investors.

By K. R. BALASUBRAMANYAM

It was some time in 2003. Mary V. Propes, founder of the US-based home fragrance company, MVP Group International Inc, was not happy with the way her China joint venture was faring. She was looking for a reliable partner outside China. A friend mentioned this to Gautham Pai, son of The Manipal Group Chairman T. Satish Pai, and arranged a brief meeting with Propes in Atlanta. It went well, and Gautham floated the joint venture, Primacy Industries Pvt Ltd. In June 2005, the start-up began producing scented candles at its factory in Mangalore, Karnataka.

By 2009, Primacy was doing so well that the owner duo rejigged ownership of the company, giving the junior Pai controlling interest and even subsuming MVP into his group. The 61-year-old Propes still has a significant stake in the joint venture, and faith in Pai. "I trust his judgment," she says. "He has brought global perspective to our business."

When he took the plunge, Pai, Managing Director of The Manipal Group, based in Karnataka, knew nothing about the home fragrance business. "I understood it by spending three months at MVP's plant in Kentucky," he says. Last year, he set up another candle unit in Gandhidham, Gujarat. Four-fifths of Primacy's production goes to the US.

The Manipal Group is low-profile compared to Manipal Education & Medical Group (MEMG), run by Satish's cousin Ramdas Pai and nephew Ranjan Pai. Bangalore-based MEMG runs Manipal University, Manipal Hospitals and other businesses.

Since inheriting the mantle in 2004 from his father, Gautham Pai has built the business at a blistering pace. When he took over,

A Spring in Its Step

The Manipal Group's turnover

Gross turnover (₹ crore)

Source: The Manipal Group

Gautham Pai (39)

WHAT HE HEADS: The Manipal Group, Karnataka

BUSINESSES: Home fragrance, print and technology solutions, media

FOOTPRINT: India, Germany, Kenya, Mexico and the US

NILOTPAL BARUAH/WWW.INDIATODAYIMAGES.COM

the core activities of the group were commercial and security printing, and publications. Annual revenues were ₹90 crore.

Pai, who studied printing technology at the Manipal Institute of Technology, drew up a five-year plan, floated joint ventures with strategic investors, repurposed the printing business, and made candles a global venture. The group – eight printing and technology solutions companies, two in the home fragrance business and three in media – has leapfrogged into the big league, logging ₹2,131 crore in revenues in 2012/13, growing 21 times in nine years.

"Gautham leads his team from behind, and jumps in only when there is a crisis," says J. Ramachan-dran, faculty member and corporate strategy expert at the Indian Institute of Manage-ment, Bangalore, and Pai's mentor. A team of seven management graduates, four of them from IIMs, helps Pai identify strategic directions.

Pai's Partnerships

Relationships That Have Thrived...

2012 Quad/Graphics Inc, USA
Strategic equity partner in Manipal Print business

2007 L.E.G.O Print Co, Italy
Strategic equity partner in Manipal Print business

2004 Thomas Greg & Sons, Colombia
Equity partner in niche areas within secure print business

2008 Chanwanich Security Printers, Thailand
Equity partner in secure print card business

2005 The Propes Family, US
Equity partners in global home fragrance business

Feeding Big Retailers

Primacy is the world's largest private-label scented candle maker. Large retailers source many products from such manufacturers and sell them under their own brand. Primacy is also a contract manufacturer, meaning it meets the specifications of buyers such as P&G without bearing inventory risk. "About a third of production goes to our largest customer, Walmart, and a fifth to our second biggest customer, Dollar General," says V.K. Thalithaya, President at the company, which runs three factories and three large distribution centres in the US through MVP. The company also supplies to giants such as Dillard's, Target and Tesco.

When Primacy started exporting in 2005, India's largest manufacturer's exports were worth around ₹18 crore. But the Mangalore factory was designed to export candles worth about ₹150 crore in the first year itself. "In three years, we became the leader in Asia," says B.G. Vishnuprasad, Head of Strategy at the The Manipal Group.

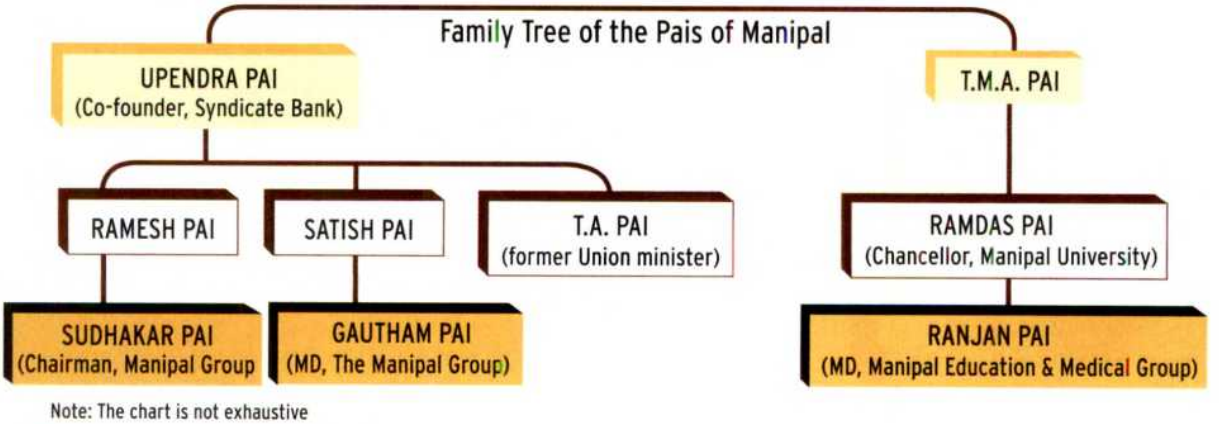
Original Approach

"Gautham is the only third-generation Pai who has not gone abroad for management studies," says his wife Vanitha Pai, a postgraduate in journalism. After graduating from college in 1999, he joined the family business and got exposure that he would perhaps have missed had he gone to business school. "The candle business was entirely his brainchild," says father Satish.

Until Pai came on board, the group's Manipal Press,

THE PAI CHART

Family Tree of the Pais of Manipal



Note: The chart is not exhaustive

WORLD TRADE CENTER®
PUNE

Join the global economic network that connects 7,50,000 companies across the world. A network that facilitates local and international trade delegations and various B2B exchanges. Be part of an Elite Business Club of the world. World Trade Center Pune is a 1.6 million sq. ft. integrated business park in Kharadi, the centre of Pune's Eastern IT corridor.

A premium commercial campus by Panchshil Realty, WTC Pune consists of 4 towers with a bouquet of corporate offices, mid-sized offices, and single-client built-to-suit spaces.

The city is open for business, and the world is welcome.

Support services & amenities that enhance the quality of work environment include:
Convention facility, Business centre, Banks & ATM's, Cafes, Medical facilities, Travel desk

OFFICE SPACES RANGING FROM 2,000 – 45,000 SQ. FT.
NOW AVAILABLE ON LEASE.

T : +91-20-6611 9999 | Email : sales@panchshil.com | www.panchshil.com

Panchshil

The Journey So Far

How The Manipal Group has grown

2005/06
Sets up Primacy Industries in partnership with MVP Group, US

2007/08
Starts print & packaging business in Kenya

2008/09
Sets up plastic card business in partnership with TGS and CSP

2009/10
Acquires MVP Group, US

2011/12
Acquires US brands Midwest-CBK and Colonial Candle (sales $106 million)

2012/13
Starts offering financial inclusion solutions to banks in India

which printed cheques and other secure products, ran its affairs in a traditional way. Two years ago, Pai, mindful that transactions were increasingly digital, renamed it Manipal Technologies Ltd to reflect its new direction. This past August he hired Abhay Gupte, the Bangalore-based managing director of Logica India, a global IT and business services company, to head it. "We are moving from order-specific business to providing end-to-end solutions," says Gupte. "For instance, we handle the entire credit and debit card process for banks, from printing cards to delivering them to individual customers." Four years ago, the company set up a unit in Kenya, and is set open another in Nigeria.

To raise capital, Pai looks to strategic investors or banks, or both. He prefers strategic partners as he believes they bring in a lot of value. The group has five joint venture partners in print, and one in home fragrance. It has a majority stake in all of them.

Pai's colleagues say he is reticent and remains calm through even severe setbacks. For instance, in January, a fire reduced the Mangalore candle factory to ashes. In six months, he rebuilt the factory and resumed production.

Wrong Moves: Ventures That Failed

Name/Nature of business

Manipal Informatics
BPO business

DigiGo
B2C print

Manipal Enterprises
i-On brand mobile handsets

Growth Plans

In five years, Pai says, candle revenues will touch $1 billion a year, and Manipal Technologies will be ₹2,100 crore company. As for the media business, Manipal Media CEO Vinod Kumar says his company will bid for an FM radio licence at the next auction and is exploring opportunities in television. "In the past four years, we grew at an average rate of 17 per cent, as against the single-digit growth of the industry," he adds.

Strategy head Vishnuprasad says the group plans to strengthen its presence in branded home fragrances. Primacy owns US brands such as Colonial Candle and Carolina Candle, and the Indian brand Ekam.

Pai has fared better in business-to-business than consumer business. For example, his mobile handset brand, i-On, failed after a few years because of branding and distribution issues. His DigiGo brand retail printing outlets flopped because consumers expected doorstep service, while the company thought they would walk into stores. "In the consumer business, you need to invest a lot, so Gautham makes small forays to understand the space," says Ramachandran.

Rating agency CRISIL mentioned in a January note that Manipal Technologies had "larger-than-expected, debt-funded capital expenditure" in 2011/12. "CRISIL believes that it will take longer than expected for the group to achieve significant improvement in its debt protection metrics," the note adds. Pai says he had to invest consistently as business was growing, and that, as a result, all print solutions subsidiaries have started reporting profits.

Bangalore-based independent chartered accountant Vivek Mallya says the group shows how a business can be derisked with diversification and a global presence. "But it would do well to list in the US, and create an independent governance structure to move into the big league of India Inc."

Ambani and Pai

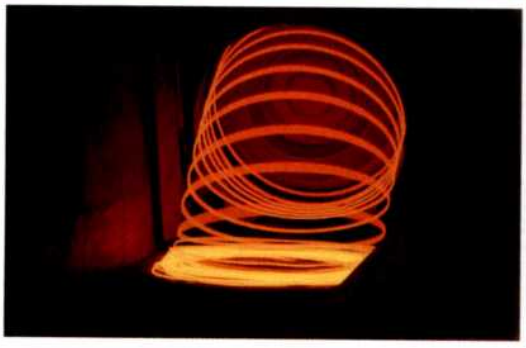
The Pais and Ambanis share a cordial relationship. In the early 1960s, Syndicate Bank chairman T.A. Pai backed Dhirubhai Ambani with a ₹10 lakh loan to launch the Vimal textile brand, says 74-year-old Satish Pai, T.A. Pai's younger brother. Ambani played a key role in settling a dispute among the second-generation Pais. The settlement in the mid-1990s saw mattress brand Kurl-On go to Satish's older brother Ramesh, who heads Manipal Group (Gautham's group is *The* Manipal Group). Satish has retained warm ties with cousin Ramdas of MEMG. ◆

Steely strategies to accelerate growth

सेल SAIL
A MAHARATNA COMPANY

India's largest operational Blast Furnace at SAIL Rourkela

Loading system at SAIL Bolani Mines



Wire rods at SAIL Burnpur

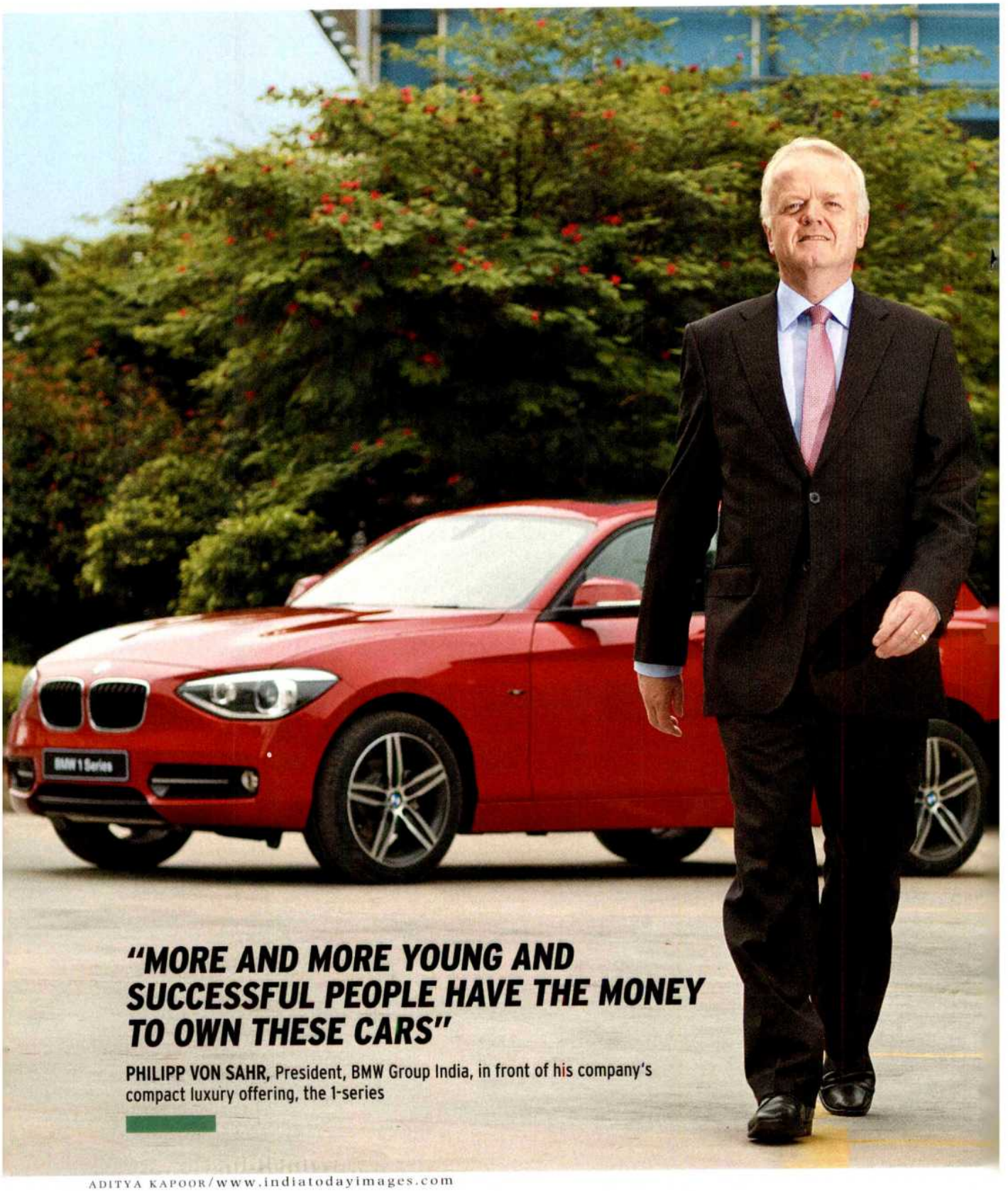
Torpedo ladle at SAIL Rourkela

Maintaining its dominant position in the Indian steel market, SAIL is continually improving to reach new heights of world - class product portfolio with enhanced capacities, backed by sustainable processes & practices.

स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED
www.sail.co.in

There's a little bit of SAIL in everbody's life

SHARAD



"MORE AND MORE YOUNG AND SUCCESSFUL PEOPLE HAVE THE MONEY TO OWN THESE CARS"

PHILIPP VON SAHR, President, BMW Group India, in front of his company's compact luxury offering, the 1-series

ADITYA KAPOOR/www.indiatodayimages.com

DRIVING A BARGAIN

Tickets to luxury get cheaper as Mercedes, BMW and Audi launch compact cars. By SUNNY SEN

When Tilak Ajmani, a businessman in Ranchi, was shopping for a car for his son last year, it was a toss-up between two of the world's top luxury brands: Mercedes and BMW. After some research, he zeroed in on a compact sports utility vehicle (SUV) by BMW India and Mercedes-Benz India's entry-level sedan. Both offered the best German technology as well as all the bells and whistles money can buy. Ajmani finally decided on a BMW X1. The reason? Simple, it was ₹6 lakh cheaper.

Ajmani is one of a growing section of rich Indians top automakers are targeting with a host of small luxury cars that give people bragging rights, but at a much cheaper price. Most compact luxury hatchbacks, sedans and SUVs start at ₹20 lakh, while top-end luxury cars could be between 20 and 50 per cent more. A report by Kotak Wealth and ratings firm CRISIL shows that 34.5 per cent of luxury cars are owned by professionals and women. "More and more young and successful people have the money to own these cars," says Philipp von Sahr, President of BMW Group India.

BMW was the first to ride into India's compact SUV market in December 2010, and has already notched up sales of about 2,500 X1s a year. Since then, both Mercedes and Audi have also rolled out smaller cars for the growing number of upper middle class, young professionals and women with oodles of cash. Between the three carmakers, they have five compact cars in India. Audi took on the X1 with its own compact SUV, the Q3, in February while Mercedes has its B-Class compact tourer, a mix of an SUV and a sedan. BMW launched the 1-series hatchback in September while Mercedes came out with an A-Class hatchback in May. Even Volvo has joined the race with its XC60, a compact SUV. "There are some segments which have developed in the last couple of years," says Eberhard H. Kern, Mercedes' India Managing Director and CEO, referring to the compact luxury segment.

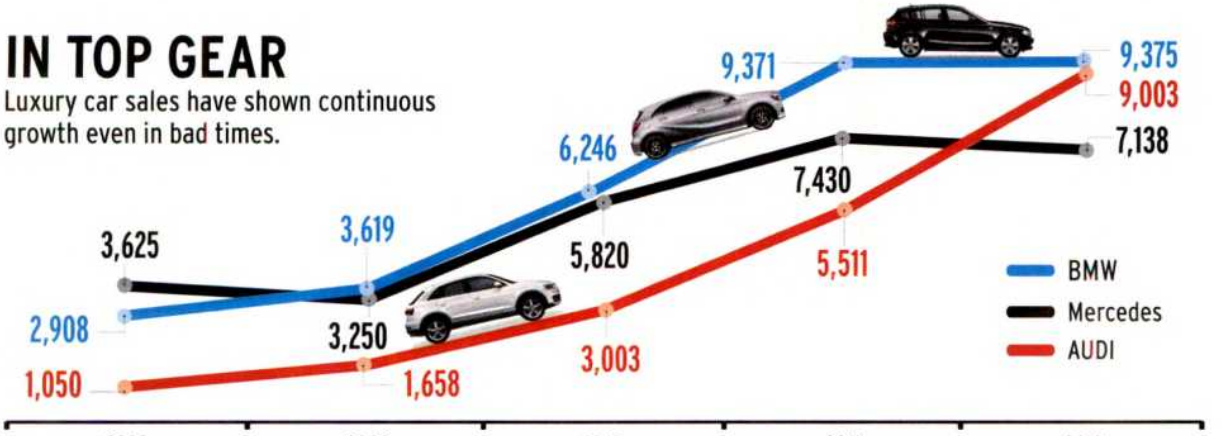
"Look at sound systems, electronic

Audi: Q3
PRICE: ₹ 24.99-35.78 Lakh

BMW: 1-series
PRICE: ₹ 20.90-29.90 Lakh

IN TOP GEAR

Luxury car sales have shown continuous growth even in bad times.



FIGURES IN UNITS

Source: Companies

items, everything is going towards compact and we see the same in automobiles."

Luxury cars account for just one per cent of India's automobile market, but automakers are betting on smaller cars in this segment to bump up sales. With the US car market stagnating and the European industry in the grip of a slowdown, automakers had to look at new growth markets. China was an obvious choice with car sales of 19.3 million in 2012, but when none of the German makers could crack the luxury hatchback market in China, India was the next option. It is the world's largest hatchback market with 1.8 million cars rolling out of its factories a year. And demand is unlikely to slow even though the economy is in a funk.

Top-end sedans and saloons such as the Mercedes' S-Class, BMW's 7-Series and Audi's A8 will continue to rule the luxury cars segment. But carmakers also expect an increasing number of buyers to fork out about a quarter of a crore for smaller versions of these brands. Industry experts say India's luxury car market is likely to quadruple by 2020 from a little above 20,000 cars last year. Mohan Mariwala, Managing Director of Auto Hangar, a Mumbai-based Mercedes dealership, says about 40 per cent of his customers are looking at new-generation cars: "We are getting customers who would otherwise never walk into our showrooms."

Mercedes: A-Class

PRICE: ₹ 23.39 -24.09 Lakh

"THERE ARE SOME SEGEMENTS WHICH HAVE DEVELOPED IN THE LAST COUPLE OF YEARS"

EBERHARD KERN
CEO, Mercedes-Benz India

At one time, luxury carmakers would probably have scoffed at the idea of entering the small-car market. Some industry experts say they are taking a big risk by stepping out of their traditional strongholds. "It is a massive risk with these cars," says Akshay Bhalla, Managing Director at Protiviti Consulting. "Bringing these cars at these price points, and if they don't do well, it is a great brand value loss."

But the carmakers are already in top gear. Audi booked 500 Q3s within just five days of its launch, and Mercedes sold more cars than Audi and BMW in July. A quarter of Mercedes' sales come from the compact segment and Kern expects that to increase to 40 per cent by 2016. The German carmaker has two more compact vehicles in the pipeline: the CLA, a compact sedan, and the GLA, a compact SUV. "The compact luxury segment is attracting a new buyer to the industry; however, this is not taking away the buyers from our existing segments," says Joe King, head of Audi India.

Industry experts say some new compact luxury car buyers are people who would have bought a Toyota Camry, which starts at ₹24.77 lakh, or a Honda Accord, which is ₹21.14 lakh for a top model. Amit Kaushik, principal analyst at IHS Automotive, says there is huge potential in this segment: "Luxury carmakers have started addressing the emerging community which is a large buyer base." Clearly, small wonders on wheels are big in India. ◆

Send your comments to editor.bt@intoday.com

LEISURE HOTELS
experience 'more'

OUTDOOR TRAINING PROGRAM

Leisure Hotels presents interesting venues for out-of-the-ordinary business conferences & corporate training programs. Picturesque destinations, all fully equipped with the latest state-of-the-art conferencing facilities combined with the best in Indian hospitality await you. At each of our resorts, you will find a panel of experts with customised and meticulous planning capabilities ready to make any event not just successful, but also an enjoyable and memorable experience for the participants. So, get ready. It's time to change the corporate rules a bit and take a few tips from Mother Nature.

CONFERENCE • M.D.P • O.M.D • TEAM BUILDING

Enjoy non-stop holidays* for next 5 years with your family and loved ones in India & Abroad to know more call us at 9818009849.
*T&C apply.

LEISURE HOTELS LIMITED • F 3/6, Ground Floor • Okhla Industrial Area • Phase I • New Delhi 110 020 • Phone +91 11 4652 0000 • Mobile +91 9810721323 • Fax +91 11 4652 0050 • Email info@leisurehotels.in • www.leisurehotels.in • **Mumbai** +91 99875 21405 • **Ahmedabad** +91 97254 39393 • **FOR RESERVATIONS CALL TOLL FREE 18001024652**

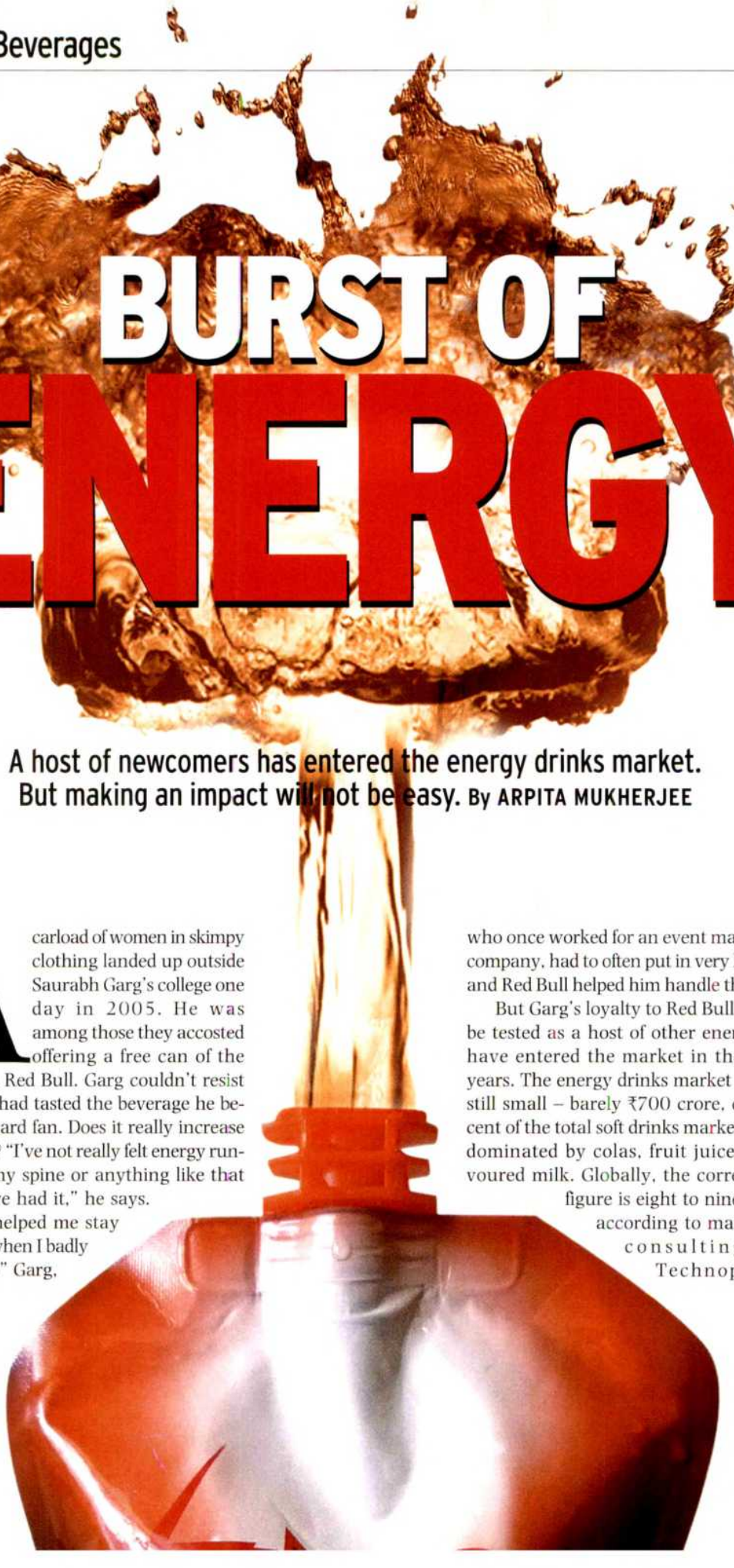
The Corbett Hideaway CORBETT · The Riverview Retreat CORBETT · THE NAINI RETREAT NAINITAL · Aranya SAFARI RESORT · Sun 'n' Snow inn Kausani · forest RAJAJI NATIONAL PARK · THE MANOR

BURST OF ENERGY

A host of newcomers has entered the energy drinks market. But making an impact will not be easy. By ARPITA MUKHERJEE

A carload of women in skimpy clothing landed up outside Saurabh Garg's college one day in 2005. He was among those they accosted offering a free can of the energy drink Red Bull. Garg couldn't resist and once he had tasted the beverage he became its diehard fan. Does it really increase energy levels? "I've not really felt energy running down my spine or anything like that whenever I've had it," he says. "But it has helped me stay awake even when I badly needed sleep." Garg, who once worked for an event management company, had to often put in very long hours and Red Bull helped him handle them well.

But Garg's loyalty to Red Bull may soon be tested as a host of other energy drinks have entered the market in the last five years. The energy drinks market in India is still small – barely ₹700 crore, or five per cent of the total soft drinks market, which is dominated by colas, fruit juices and flavoured milk. Globally, the corresponding figure is eight to nine per cent, according to management consulting firm, Technopak. But



ANAND SINHA

ADVERTISMENT

Will Colonel Balwant be knocked out or will he raise a toast ?

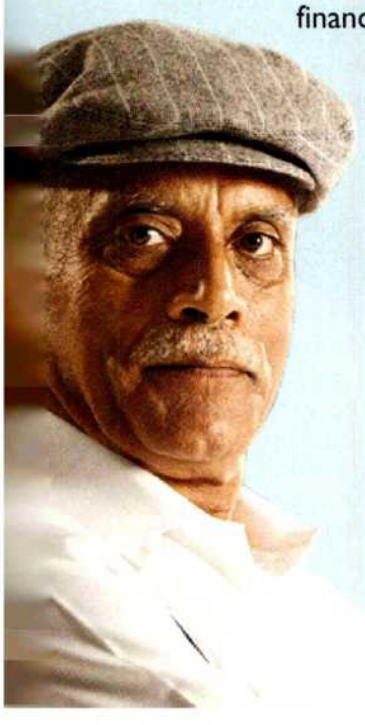
At 54, Colonel Balwant with his distinctive salt & pepper hair was as fit as a fiddle. His regular early morning golf was his magic potion. He was an extrovert and the soul of the party. He was a fauji by profession but an entrepreneur by heart.

He takes the plunge

The heart prevailed and he took voluntary retirement & started his Security & Manpower Services in Chandigarh in 2009. His contacts were good and the niche market of Malls and Apartment complexes were booming. He had tapped into a goldmine.

The Achilles' heel...

Colonel Balwant was hands on and trained his staff brilliantly. His security services and his manpower were rated as the most professional. However his Achilles' heel was his being almost a cipher in accounting. His finance head, in his endeavour to show profitability billed clients the Service Tax components but paid the exchequer only a small percentage of the same.



Knocked out...

Over a round of golf at the club the talk veered around to Service Tax and the liability of the service provider. He learnt that five Service Providers had got summons recently. In case of non-compliance the penalties, interest & proceedings would be like a knock out punch. Balwant checked with his finance head and learnt of the transgressions. Being an army man he took the blame squarely on his shoulders. Two weeks of intense agony and soul-searching followed.

HIS CONTACTS WERE GOOD AND THE NICHE MARKET OF MALLS AND APARTMENT COMPLEXES WAS BOOMING. BUT THEN...

The ray of hope...

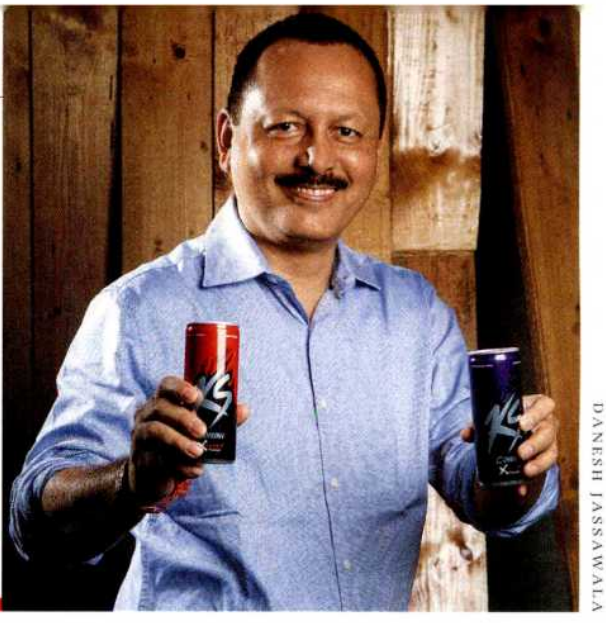
Then he saw the advertisements for the Service Tax - Voluntary Compliance Encouragement Scheme (VCES) where immunity was promised on truthful declarations.

He immediately **logged onto** www.cbec.gov.in and understood that he could get immunity from interest, penalties and proceedings for the period Oct. 1, 2007 to Dec.31, 2012.

Colonel Balwant heaved a sigh of relief and raised a toast to VCES.

SERVICE TAX VCES VOLUNTARY COMPLIANCE ENCOURAGEMENT SCHEME

Be smart, make a fresh start.



DANESH JASSAWALA

"The more energy drink brands, the merrier. What new competitors do is create a market"

Ranju K. Mohan, Director & Business Head, J.K. Ansell Ltd, which produces the KamaSutra drink

with the recent influx, the market could well soon expand, enabling Indian energy drinks consumption to catch up with that of the rest of the world.

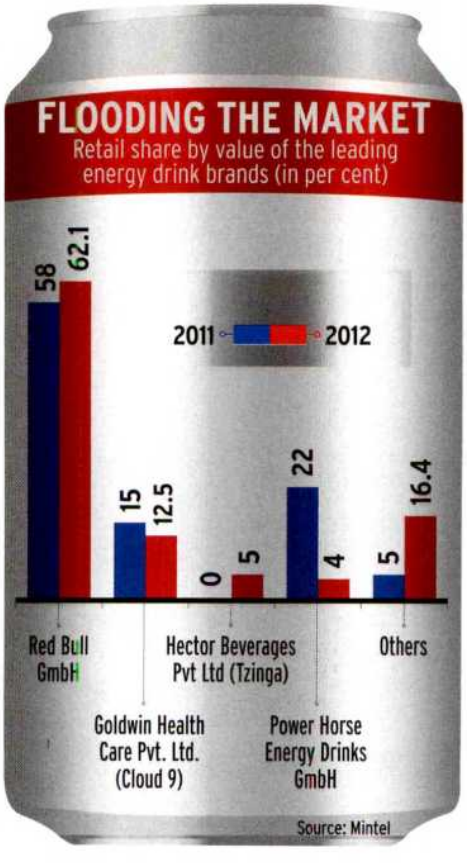
Red Bull, the world's largest energy drink company, still dominates the market, having entered 12 years ago, enjoying a 75 per cent share. But it is being increasingly challenged by the likes of Tzinga, Cloud 9, KamaSutra, Restless and Burn. More churn is expected as the second largest such company, Monster Beverage, is also on the verge of making an entry.

Indeed in 2008, the Indian energy drinks retail market grew 51.5 per cent, says a report by global market research firm, Mintel. Industry consultant Frost & Sullivan has said the market is expected to keep expanding at a compound annual growth rate of 25 per cent between 2012 and 2015. In comparison, the global energy drinks market, says Technopak, grew 14 to 15 per cent in 2011.

"The more the merrier," says Ranju K. Mohan, Director & Business Head, J.K. Ansell Ltd, a joint venture between the Raymond Group and Ansell International, which manufactures several products under the KamaSutra brand, including the condoms. The energy drink was launched in December 2012. "What new competitors do is create a market, which is one of the biggest challenges." The growing interest in wellness, health and sports gives the newcomers further hope. "These categories are taking off and creating a nice platform for energy drinks to be accepted," says Ankur Bisen, Vice President, Retail at Technopak. "People's tastes are also changing. They are becoming more discerning and willing to experiment."

But the newcomers also need to differentiate themselves from Red Bull to make any impact. How are they going about it? Pricing is the first focus. While a 250 ml Red Bull can costs ₹95, Tzinga, created by Hector Beverages, has chosen the economy route, selling at ₹25 a pack. "We have a clear proposition. Our drink has functional value, not an aspirational one. We sell at colleges, IT companies and BPOs," says Suhas Misra, Co-founder and Director, Hector Beverages.

Muffaddel Janjira, Business Manager, Monster Energy Drink, at the Narang Group, which will distribute Monster's products, however, does not consider such price slashing a threat. "They have created that segment and done pretty well," he says, noting, however, that Monster's drinks would be clearly focused on the premium category, competing with Red Bull. Indeed Narang initially distributed Red Bull too, but parted ways with it last year.

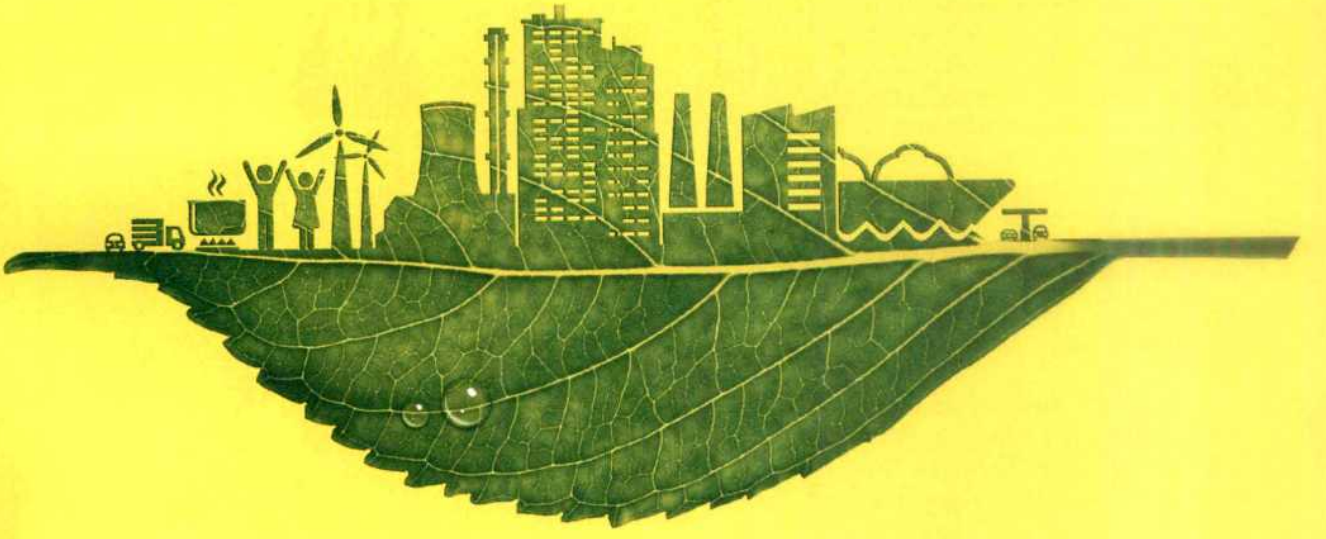


India's
No.1
Natural
GAS
Company

/gailindia

Tomorrow is Yours

With the eco-friendly fuel - Natural Gas



Don't we all want a future where development is not at the cost of environmental degradation? A future where nature and progress are in perfect harmony? Natural Gas is that smart fuel which is making it happen. No wonder industries and households are discovering the multi-dimensional advantages of this unique fuel. Choose this eco-friendly fuel - **Natural Gas** for a better tomorrow.

गेल
GAIL

GAIL (India) Limited

India's Youngest Maharatna

"Marketing, branding and positioning will have high impact on product acceptance," says Chaitra Narayan, Associate Director, Chemicals, Materials & Foods Practice, Frost & Sullivan. Thus, a number of the newcomers are trying to use these to set themselves apart. For instance, Nitin Gupta, Founder and CEO, K.G. Functional Beverages Pvt Ltd, which makes the energy drink Restless, is seeking an image of "restless action." "Red Bull and Monster primarily focus on sports events to sell," he says. "But we will appeal to people engaged in everyday activities." Again, the KamaSutra brand is banking on taste – its drinks come in different flavours such as mixed fruit and mixed berry fruit.

The challenges, however, are many. For instance, despite their massive marketing machines, neither PepsiCo nor Coca-Cola has been able to make a success of its energy drink. PepsiCo's SoBe is no longer on shop shelves, while Coca-Cola's Burn has had to go in for a re-launch. "We have launched Burn and have been testing the waters for a while," says Venkatesh Kini, Deputy Business Unit President, Coca-Cola India and South West Asia. "We are happy with the results."

Again, with so many jumping into the fray within a short period, a shake-up is almost inevitable. "In the coming two to three years, only one or two brands will establish themselves strongly," says Vinod Gaikwad, General Manager, Marketing and Sales, Greenways Food and Beverages Pvt Ltd, which makes energy drinks such as Cloud 9 and KS Energy.

The energy drinks' primary markets are no doubt the metros and bigger cities, though Red Bull claims to be present in 300 towns across the country. Frost's Chaitra says over 70 per cent of retail sales are in restaurants, pubs and night clubs. But all these have to be handled with care. "We have seen brands in the past that had great brand propositions but failed to capture customers' imagination because of challenges in distribution. They could not guarantee availability at the right retail outlets," says Technopak's Bisen.

So how does he expect the future to pan out? Overall, Bisen is hopeful. "Had you asked me 10 years back, I would have been a little skeptical about the size of the segment and who would buy these drinks," he says. "But now that energy drinks are positioned across platforms and it seems a sizeable sort of segment is forming." ◆

RACHIT GOSWAMI

"Red Bull and Monster primarily focus on sports events to sell. But we will appeal to people engaged in everyday activities"

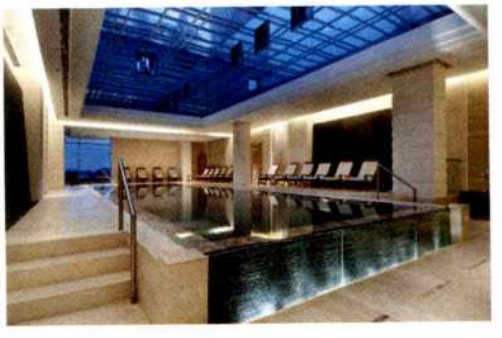
Nitin Gupta, Founder & CEO, K.G. Functional Beverages Pvt Ltd, which makes Restless drink

Send your comments to editor.bt@intoday.com

Hyatt Regency Pune
RESIDENCES

Fully serviced 1, 2 & 3 bedroom apartments for rent ranging from 65 sq meters to 190 sq meters

Resident guests enjoy exclusive outdoor recreation facilities such as kids play area, barbecue area and doubles tennis court



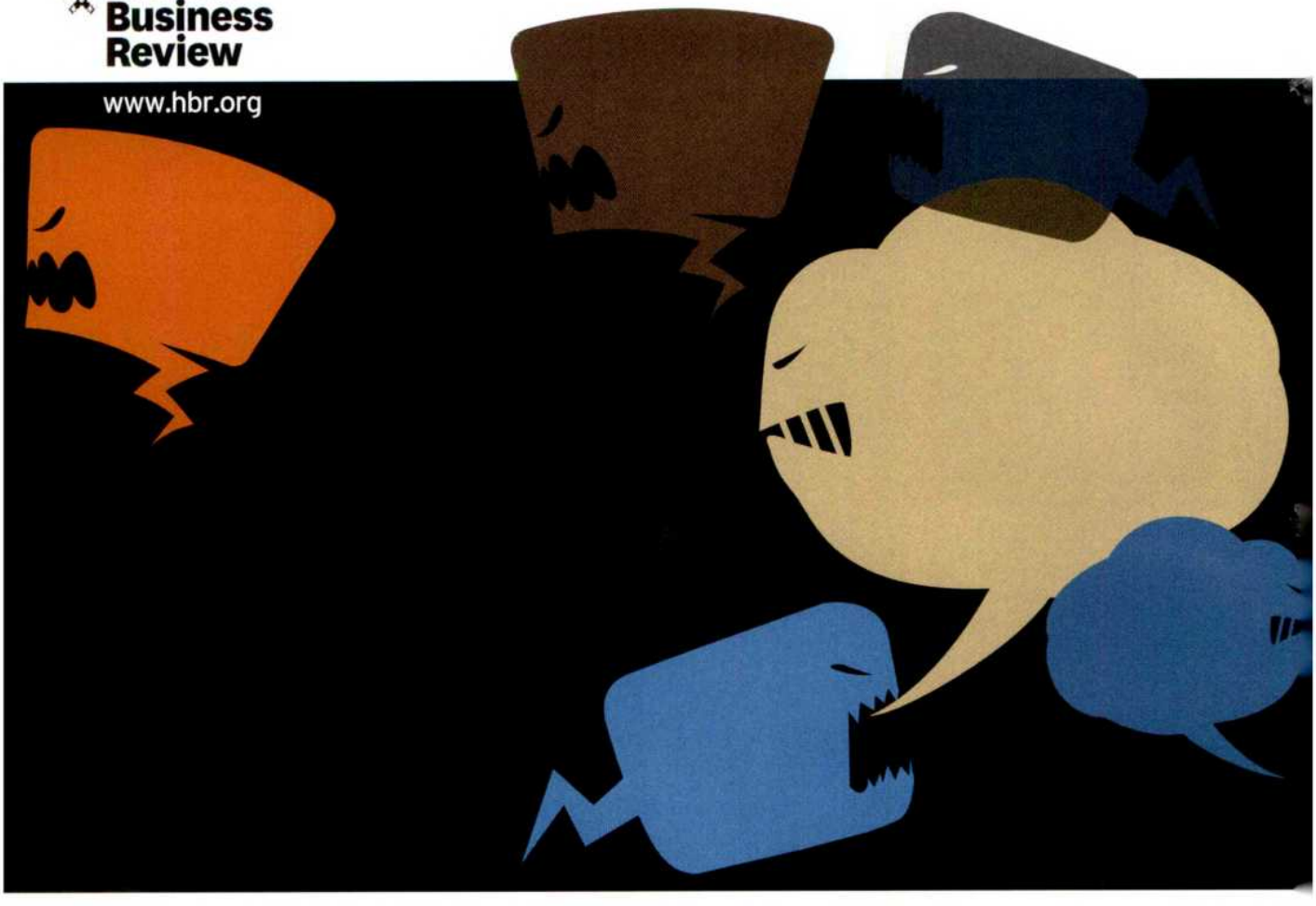
Exclusive access to the city's only temperature controlled indoor swimming pool and Arogya Spa & Fitness Centre

For details, please call +91 20 6645 1234

Weikfield IT Park, Nagar Road, Pune 411014, India
pune.regency.hyatt.com

HYATT
REGENCY

Harvard Business Review
www.hbr.org



Rudeness at work is rampant, and it's on the rise. Over the past 14 years we've polled thousands of workers about how they're treated on the job, and 98 per cent have reported experiencing uncivil behaviour. In 2011 half said they were treated rudely at least once a week – up from a quarter in 1998.

The costs chip away at the bottom line. Nearly everybody who experiences workplace incivility responds in a negative way, in some cases overtly retaliating. Employees are less creative when they feel disrespected, and many get fed up and leave. About half deliberately decrease their effort or lower the quality of their work. And incivility damages customer relationships. Our research shows that people are less likely to buy from a company with an employee they perceive as rude, whether the rudeness is directed at them or at other employees. Witnessing just a single unpleasant interaction leads customers to generalise about other employees, the organisation, and even the brand.

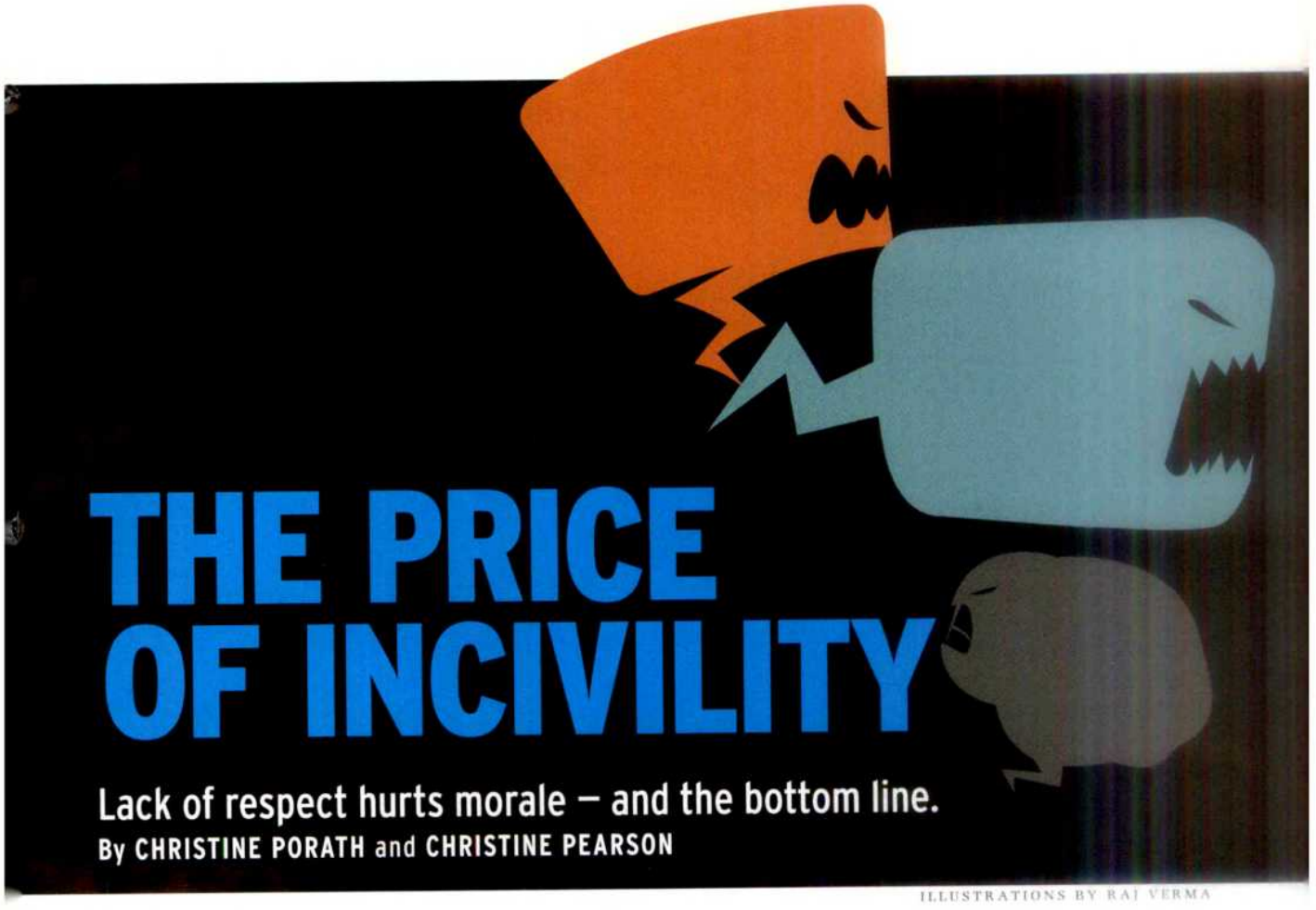
We've interviewed employees, managers, HR executives, presidents, and CEOs. We've administered questionnaires, run experiments, led workshops, and spoken with doctors, lawyers, judges, law enforcement officers, architects, engineers, consultants, and coaches about how they've faced and handled incivility. And we've collected data from more than 14,000 people throughout the United States and Canada in order to track the prevalence, types, causes, costs, and cures of incivility at work. We know two things for certain: Incivility is expensive, and few organisations recognise or take action to curtail it.

In this article we'll discuss our findings, detail the costs, and propose some interventions. But first, let's look at the various shapes incivility can take.

Forms of Incivility

We've all heard of (or experienced) the "boss from hell." The stress of ongoing hostility from a manager takes a toll, sometimes a big one. We spoke with a man we'll call Matt, who reported to Larry – a volatile bully who insulted his direct reports, belittled their efforts, and blamed them for things over which they had no control. (The names in this article have been changed and the identities disguised.) Larry was rude to customers, too. When he accompanied Matt to one client's store, he told the owner, "I see you're carrying on your father's tradition. This store looked like sh-- then. And it looks like sh-- in your hands."

Matt's stress level skyrocketed. He took a risk and reported Larry to



THE PRICE OF INCIVILITY

Lack of respect hurts morale – and the bottom line.

By CHRISTINE PORATH and CHRISTINE PEARSON

ILLUSTRATIONS BY RAJ VERMA

HR. (He wasn't the first to complain.) Called on the carpet, Larry failed to apologise, saying only that perhaps he "used an atomic bomb" when he "could have used a flyswatter." Weeks later Larry was named district manager of the year. Three days after that, Matt had a heart attack.

The conclusion of Matt's story is unusual, but unchecked rudeness is surprisingly common. We heard of one boss who was so routinely abusive that employees and suppliers had a code for alerting one another to his impending arrival ("The eagle has landed!"). The only positive aspect was that their shared dislike helped the employees forge close bonds. After the company died, in the late 1990s, its alums formed a network that thrives to this day.

In some cases an entire department is infected. Jennifer worked in an industry that attracted large numbers of educated young professionals willing to work for a pittance in order to be in a creative field. It was widely accepted that they had to pay their dues. The atmosphere included door slamming, side conversations, exclusion, and blatant disregard for people's time. Years later Jennifer still cringes as she remembers her boss screaming, "You made a mistake!" when she'd overlooked a minor typo in an internal memo. There was lots of attrition among low-level employees, but those who did stay seemed to absorb the behaviours they'd been subjected to, and they put newcomers through the same kind of abuse.

Fran was a senior executive in a global consumer products company. After several quarters of outstanding growth despite a down economy, she found herself confronted by a newcomer in the C-suite, Joe. For six months Fran had to jump through hoops to defend the business, even though it had defied stagnation. She never got an explanation for why she was picked on, and eventually she left, not for another job but to escape what she called "a soul-destroying experience."

Incivility can take much more subtle forms, and it is often prompted by thoughtlessness rather than actual malice. Think of the manager who sends e-mails during a presentation, or the boss who "teases" direct reports in ways that sting, or the team leader who takes credit for good news but points a finger at team members when something goes wrong. Such relatively minor acts can be even more insidious than overt bullying, because they are less obvious and easier to overlook – yet

they add up, eroding engagement and morale.

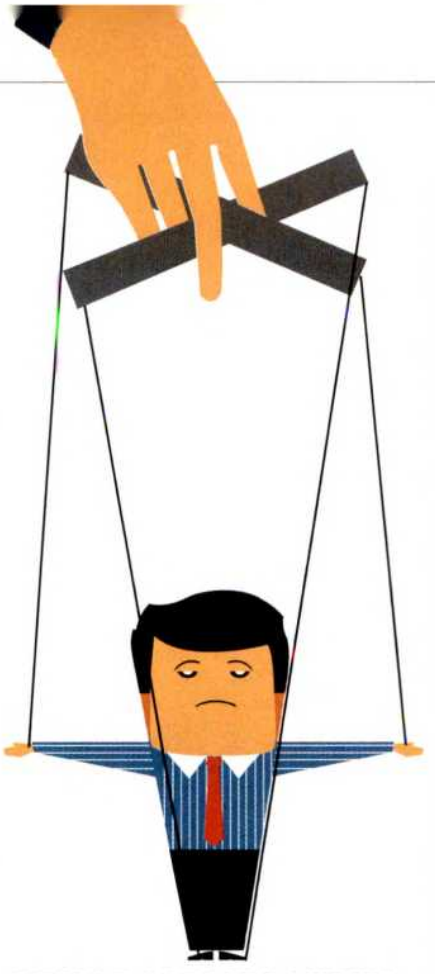
The Costs of Incivility

Many managers would say that incivility is wrong, but not all recognise that it has tangible costs. Targets of incivility often punish their offenders and the organisation, although most hide or bury their feelings and don't necessarily think of their actions as revenge. Through a poll of 800 managers and employees in 17 industries, we learned just how people's reactions play out. Among workers who've been on the receiving end of incivility:

- 48 per cent intentionally decreased their work effort
- 47 per cent intentionally decreased the time spent at work
- 38 per cent intentionally decreased the quality of their work
- 80 per cent lost work time worrying about the incident
- 63 per cent lost work time avoiding the offender
- 66 per cent said that their performance declined
- 78 per cent said that their commitment to the organisation declined
- 12 per cent said that they left their job because of the uncivil treatment
- 25 per cent admitted to taking their frustration out on customers.

Experiments and other reports offer additional insights about the effects of incivility. Here are some examples of what can happen.

Creativity suffers. In an experiment we conducted with Amir Erez, a professor of management at the University of Florida, participants who were treated rudely by other subjects were 30 per cent less creative than others in the study. They produced 25 per cent fewer ideas, and the ones they did come up with were less original. For example, when asked what to do with a brick, participants who had been treated badly proposed logical but not particularly imaginative activities, such as "build a house," "build a wall," and "build a school."



PEOPLE ARE LESS LIKELY TO BUY FROM A COMPANY WITH AN EMPLOYEE THEY PERCEIVE AS RUDE, EVEN IF THE RUDENESS ISN'T DIRECTED AT THEM

We saw more sparks from participants who had been treated civilly; their suggestions included "sell the brick on eBay," "use it as a goalpost for a street soccer game," "hang it on a museum wall and call it abstract art," and "decorate it like a pet and give it to a kid as a present."

Performance and team spirit deteriorate. Survey results and interviews indicate that simply witnessing incivility has negative consequences. In one experiment we conducted, people who'd observed poor behaviour performed 20 per cent worse on word puzzles than other people did. We also found that witnesses to incivility were less likely than others to help out, even when the person they'd be helping had no apparent connection to the uncivil person: Only 25 per cent of the subjects who'd witnessed incivility volunteered to help, whereas 51 per cent of those who hadn't witnessed it did.

Customers turn away. Public rudeness among employees is common, according to our survey of 244 consumers. Whether it's waiters berating fellow waiters or store clerks criticising colleagues, disrespectful behaviour makes people uncomfortable, and they're quick to walk out without making a purchase.

We studied this phenomenon with the USC marketing professors Debbie MacInnis and Valerie Folkes. In one experiment, half the participants witnessed a supposed bank representative publicly reprimanding another for incorrectly presenting credit card information. Only 20 per cent of those who'd seen the encounter said that they would use the bank's services in the future, compared with 80 per cent of those who hadn't. And nearly two-thirds of those who'd seen the exchange said that they would feel anxious dealing with *any* employee of the bank.

What's more, when we tested various scenarios, we found that it didn't matter whether the targeted employee was incompetent, whether the reprimand had been delivered behind closed doors (but overheard), or whether the employee had done something questionable or illegal, such as park in a handicapped spot. Regardless of the circumstances, people don't like to see others treated badly.

Managing incidents is expensive. HR professionals say that just one incident can soak up weeks of attention and effort. According to a study conducted by Accountemps and reported in *Fortune*, managers and executives at *Fortune* 1,000 firms spend 13 per cent of their work time – the equivalent of seven weeks a year – mending employee relation-

MANAGEMENT IS ON THE MOVE.

And so are we.

Today, with a global, fast-changing business environment, B-school syllabus and pedagogy can get outdated in no time. However, for us "change" is normal, because we believe one has to constantly learn to be able to teach effectively. The school, therefore, has:

- Regular syllabus updates working closely with the industry leaders
- Partnerships with some of the best MNCs and Indian corporate houses
- Regular seminar talks and interactions with CXO level executives
- Student-driven "Live" consultancy projects
- Highly accomplished business leaders on the Advisory Board

Consequently, unlike many of their peers, our students have more exposure and are grounded. They come with an open mind, ready to create, challenge and revisit concepts.

School of Management, KIIT University Bhubaneswar. Rethinking Management Education.

School of Management
KIIT UNIVERSITY
Bhubaneswar, Odisha, India

ships and otherwise dealing with the aftermath of incivility. And costs soar, of course, when consultants or attorneys must be brought in to help settle a situation.

What's a Leader to Do?

It can take constant vigilance to keep the workplace civil; otherwise, rudeness tends to creep into everyday interactions. Managers can use several strategies to keep their own behaviour in check and to foster civility among others.

MANAGING YOURSELF. Leaders set the tone, so you need to be aware of your actions and of how you come across to others.

Model good behaviour. In one of our surveys, 25 per cent of managers who admitted to having behaved badly said they were uncivil because their leaders – their own role models – were rude. If employees see that those who have climbed the corporate ladder tolerate or embrace uncivil behaviour, they're likely to follow suit. So turn off your iPhone during meetings, pay attention to questions, and follow up on promises.

One way to help create a culture of respect and bring out your employees' best is to express your appreciation. Personal notes are particularly effective, especially if they emphasise being a role model, treating people well, and living the organisation's values. Doug Conant, a former CEO of Campbell Soup, is well aware of the power of personal recognition. During his tenure as president and CEO, he sent more than 30,000 handwritten notes of thanks to employees.

Ask for feedback. You may need a reality check from the people who work for you. A manager at Hanover Insurance decided to ask his employees what they liked and didn't like about his leadership style. He learned that it really bothered them when he glanced at his phone or responded to e-mail during meetings. He now refrains from those activities, and his team appreciates the change.

MANAGERS AT *FORTUNE* 1,000 FIRMS SPEND THE EQUIVALENT OF SEVEN WEEKS A YEAR DEALING WITH THE AFTERMATH OF INCIVILITY

Employees won't always be honest, but there are tools you can use on your own. For example, keep a journal in which you track instances of civility and incivility and note changes that you'd like to make.

Pay attention to your progress. As Josef, an IT professional, learned more about incivility, he became aware of his tendency to disparage a few nasty colleagues behind their backs. "I hadn't thought about it much until I considered the negative role modelling I was doing," he told us. "I criticised only people who were obnoxious to others and shared my criticisms only with people I trusted and in private, and somehow that made it seem OK. Then I started thinking about how I was just adding to the divide by spreading gossip and creating 'sides'. It was a real eye-opener, and I decided that I wanted to set a better example."

Within a short time Josef noticed that he was logging fewer occasions when he gossiped negatively and that he felt better about himself and his workplace. "I don't know whether anyone else would notice a difference – people already thought I was fair and supportive – but I know that I've changed," he said. "And there's another benefit for all of us: I'm seeing less incivility around me. I think that speaking up when colleagues or subordinates are rude can really make a difference. It puts them on alert that somebody is watching and cares how everyone is treated."

MANAGING THE ORGANISATION. Monitoring and adjusting your own behaviour is an important piece of the puzzle, but you need to take action across the company as well.

Hire for civility. Avoid bringing incivility into the workplace to begin with. Some companies, including Southwest Airlines and Four Seasons, put civility at the fore when they interview applicants.

LIVE MET SMART

sakura
japanese kitchen

chutney
bar + tandoor

ZING

CRAFT HOUSE

NeoVeda Spa

ART SPICE
The Art Gallery

GREAT HOTELS
OF THE WORLD
LUXURY COLLECTION

Welcome to THE MET - the future of hospitality embedded with responsible luxury. No other address matches its unique blend of minimalist design, innovative technology and eco-friendly practices. Redefining excellence and exemplary service, the iconic New Delhi hotel reflects refined tastes and unsurpassed lifestyle of the elite travellers. The sensory experience of THE MET attests to its status as a modern New Delhi landmark and to stay here is truly an expression of privilege.

AWARDS WON RECENTLY

- **Best Luxury City Hotel** - Time Research Business Leadership Awards
- **Certificate of Excellence (Sakura)** – Tripadvisor
- **Certificate of Excellence (NeoVeda Spa)** – Tripadvisor
- **Business Management Award (Craft House)** – Global Business Corporation
- **Best Luxury Beauty Spa (NeoVeda Spa)** - World Luxury Spa Awards
- **Best Luxury Emerging Spa (NeoVeda Spa)** - World Luxury Spa Awards
- **Best Luxury Hotel & Spa** - World Travel Brands
- **Luxury City Hotel** - World Luxury Hotel Awards
- **Best Hotel in India** - International Hotel Awards Asia Pacific
- **Certificate of Excellence (The Metropolitan Hotel & Spa)** - Tripadvisor
- **Asia's Finest Restaurant (Chutney, Bar + Tandoor)** - The Miele Guide

THE METROPOLITAN
HOTEL & SPA

Bangla Sahib Road, New Delhi - 110001, INDIA
T : +91 11 42500200 E : info@hotelmetdelhi.com
www.hotelmetdelhi.com

COLLEGIALITY SHOULD BE A CONSIDERATION IN EVERY PERFORMANCE REVIEW, BUT MANY COMPANIES THINK ONLY ABOUT OUTCOMES AND TEND TO OVERLOOK DAMAGING BEHAVIOURS

It's useful to give your team members a say about their prospective colleagues; they may pick up on behaviour that would be suppressed in more-formal interviews. Rhapsody, an online subscription music service, conducts group interviews so that employees can evaluate potential teammates. It has been known to turn down applicants who are strong on paper but make the team uncomfortable in some way. In one case, a team considering two applicants felt that the apparently stronger one lacked emotional intelligence: She talked too much and seemed unwilling to listen. So the company hired the other candidate, who has worked out very well.

Only 11 per cent of organisations report considering civility at all during the hiring process, and many of those investigate it in a cursory fashion. But incivility usually leaves a trail of some sort, which can be uncovered if someone's willing to look. One hospital had a near miss when bringing on a new radiologist. It offered the job to Dirk, a talented doctor who came highly recommended by his peers and had aced the interviews. But one assistant in the department had a hunch that something was off. Through a network of personal contacts, she learned that Dirk had left a number of badly treated subordinates in his wake – information that would never have surfaced from his CV. So the department head nixed the hire, telling Dirk that if he accepted the offer, the hospital would let him go right away, which would raise a flag for potential employers.

Teach civility. We're always amazed by how many managers and employees tell us that they don't understand what it means to be civil. One quarter of the offenders we surveyed said that they didn't recognise their behaviour as uncivil.

People can learn civility on the job. Role-playing is one technique. At one hospital in Los Angeles, temperamental doctors have to attend "charm school" to decrease their brashness (and reduce the potential for lawsuits). Some organisations offer classes on managing the generation mix, in which they talk about differences in norms of civility and how to improve behaviour across generations.

Video can be a good teaching tool, especially when paired with coaching. Film employees during various interactions so that they can observe their own facial expressions, posture, words, and tone of voice. It takes people a while to learn to ignore the camera, but eventually they resume their normal patterns of behaviour.

After participating in such an exercise, the CEO of a medical firm told us, "I didn't realise what a jerk I sounded like." To his credit, he used the insight to fashion more-civil communication – and became less of a jerk. Another senior executive reported that he'd always thought he maintained a poker face, but the video revealed obvious "tells". For instance, if he lost interest in a discussion, he'd look away.

We recommend that after being taped, people watch the video in three modes: first, with both sound and image, to get an overall sense of their demeanour; second, without sound, to focus on nonverbal behaviours such as gestures, distancing, and facial expressions; and third, with only sound, to highlight tone of voice, volume and speed of speech, and word choice. People don't take issue just with words; tone can be equally or more potent.

Create group norms. Start a dialogue with your team about expectations. An insurance executive told us that he'd talked with his team about what behaviours worked and what didn't. By the end of the first meeting, the team had produced and taken ownership of concrete norms for civility, such as arriving on time and ignoring e-mail during meetings.

In one of our own workplaces, we've borrowed a practice from sports to take the edge off and to help one another avoid falling into occasional abrasiveness. In our world, incivility can flare up during presentations, because overly zealous professors may vigorously interrogate colleagues and visiting professors in an effort to demonstrate their own intellect. We warn colleagues who are engaging in this behaviour by using hand signals to indicate the equivalent of soccer's yellow and red cards. The "yellow card" sign (a fist raised to the side of the head) conveys a warning, letting the interrogator know she needs to think about the phrasing,

is these refined tastes that identify our readers. This is reflected in the quality of journalism that you see in ail Today. From in-depth analysis and learned debate, each subject is dealt with in our inimitably bold style. ur readers possess a distinctive class and hence are targeted for the best brands in each product category.

MAIL TODAY

Read by those who matter

Harvard Business Review
Stand tall. **Above all.**

INDIA TODAY GROUP

Preferred by **Smart, Driven** and **Successful** professionals - from young managers to CEOs, and entrepreneurs.

How about you?

Subscription Benefits

- ✓ Save up to 61%* on the cover price
- ✓ HBRSA, Same editorial content as the U.S. edition
- ✓ Unlimited access# to online archives of over 25 year of past HBR issues
- ✓ Get complimentary access to 4 live webinars worth ₹6000/- with renowned global thought leaders

*On 3 Year Print only Subscription
With Premium Subscription only

For quicker service, log on to **www.hbrsasia.org**

SUBSCRIPTION FORM

YES! Please enroll my subscription to Harvard Business Review - South Asia for the term indicated below:

SELECT YOUR TERM	ISSUES	PRICE	SAVE	OFFER PRICE	GIFT
☐ 3 year Premium (Print + Online) Access to HBR archives online	36	₹34,500	51%	₹16,900	2 HBR Essential Series Book worth Rs.990/- • Decision Making: 5 Steps to Better Results • Time Management : Increase your Personal Productivity and Effectiveness
☐ 3 year Print only	36	₹27,000	61%	₹10,400	
☐ 2 year Premium (Print + Online) Access to HBR archives online	24	₹23,000	49%	₹11,700	
☐ 2 year Print only	24	₹18,000	60%	₹7,200	
☐ 1 year Premium (Print + Online) Access to HBR archives online	12	₹11,500	43%	₹6,500	
☐ 1 year Print only	12	₹9,000	56%	₹4,000	

Name (Mr./Ms.) _____

Address _____

☐ Home ☐ Office

_____ Post Code _____ Tel (H) _____

(O) _____ Fax _____ Email _____ ☐ New ☐ Renew _____

Choose one: (please indicate your customer numb

☐ Charge my credit card: ☐ VISA ☐ ☐

Card No. _____ Expiry _____ Signature _____

☐ Enclosed is my ☐ Cheque ☐ DD No. _____ (in favour of Living Media India Ltd. For non-Delhi cheques please add ₹50)

☐ Please tick this box to authorise HBR SA to get in touch with you.

*This authorises HBR SA to communicate about its products & promotions through mail/phone/printed material / email etc. *This authorisation is irrespective of my instruction elsewhere of not to be contacted or informed over phone/em

* Harvard Business Review is published monthly, except for the Jan/Feb & July/August double issues which count as 2 issues each.

Subscription Terms & Conditions: Harvard Business Review South Asia Cover price is ₹750/- •Savings are off the cover price •Special rates and offer valid in India for a limited period only •Allow 4-6 weeks for processing of your subscription and dis of the free gift. •Add ₹50/- for non-Delhi cheques •It will not be possible to entertain any cancellation once the free gift has been dispatched. •**Superscribe your name and address on the reverse of the cheque/DD** •All disputes are subject to the exc jurisdiction of competent courts and forums in Delhi/New Delhi only •HBR SA will not be responsible for any postal delays, transit losses or mutilation of the subscription form •By filling the subscription form, the subscriber understands and agrees to a terms and conditions of the offer •Terms & conditions apply.

4 EASY WAYS TO CONTACT US

(0120) 2479945
Toll Free No.: 1800-1800-100

hbrcare@intoday.com

SMS 'HBRSA' to 52424

A-61, Sector-57
NOIDA-201301

tone, and intensity of her comments and questions. The "red card" signal (two fingers held up, followed by the classic heave of the thumb) means she's finished for the session – she's been so offensive, repeatedly and after fair warning, that she needs to be "ejected from the game." Faculty members have learned that when they get the red card signal, they have to button it – no more today.

Ochsner Health System, a large Louisiana health care provider, has adopted what it calls "the 10/5 way": If you're within 10 feet of someone, make eye contact and smile. If you're within five feet, say hello. Ochsner has seen greater patient satisfaction and an increase in patient referrals as a result.

Reward good behaviour. Collegiality should be a consideration in every performance review, but many companies think only about outcomes and tend to overlook damaging behaviours. What behaviour does your review system motivate? All too often we see organisations badly miss the mark. They want collaboration, but you'd never know it from their evaluation forms, which focus entirely on individual assessment, without a single measure of teamwork.

Zappos implemented a "Wow" recognition programme designed to capture people in the act of doing the right thing. Any employee at any level who sees a colleague doing something special can award a "Wow", which includes a cash bonus of up to $50. Recipients are automatically eligible for a "Hero" award. Heroes are chosen by top executives; they receive a covered parking spot for a month, a $150 Zappos gift card, and, with full symbolic flair, a hero's cape. Even lighthearted awards like these can be powerful symbols of the importance of civility.

Penalise bad behaviour. Even the best companies occasionally make bad hires, and employees from an acquired firm may be accustomed to different norms. The trick is to identify and try to correct any troublesome behaviour. Companies often avoid taking action, though, and most incidents go unreported, partly because employees know nothing will come of a report. If you want to foster respect, take complaints seriously and follow up.

Rather than confronting offenders, leaders often opt for an easier solution – moving them to a different location. The result is predictable: The behaviour continues in a new setting.

ANY ZAPPOS EMPLOYEE WHO SEES A COLLEAGUE DOING SOMETHING SPECIAL CAN AWARD A "WOW", WHICH INCLUDES A CASH BONUS OF UP TO $50

One manager told us that his department has been burned so often that it no longer considers internal candidates for managerial positions.

Sometimes the best path is to let someone go. Danny Meyer, the owner of many successful restaurants in Manhattan, will fire talent for uncivil behaviour. Gifted but rude chefs don't last at his restaurants because they set off bad vibes. Meyer believes that customers can *taste* employee incivility, even when the behaviour occurs in the kitchen.

Many top law firms, hospitals, and businesses we've dealt with have learned the hard way that it simply doesn't pay to harbour habitual offenders, even if they're rainmakers or protégés. Whether offenders have caused multimillion-dollar lawsuits or been responsible for the exit of throngs of employees, often the losses could have been mitigated by early, resolute action. A senior executive of a highly successful company told us recently, "Every mistake we've made in firing a questionable hire was in taking action too late, not too early."

Conduct postdeparture interviews. Organisational memory fades quickly. It's crucial, therefore, to gather information from and reflect on the experiences and reactions of employees who leave because of incivility. If you ask targets during their exit interviews why they're leaving, you'll usually get only vague responses. Interviews conducted six months or so later can yield a truer picture. Talking with former employees after they've distanced themselves from the organisation and settled into their new work environments can give you insights about the violations of civility that prompted them to leave.

COMPANIES WE'VE worked with calculate that the tab for incivility can run into the millions. Some years back Cisco put together a detailed estimate of what incivility was costing the company. It factored in its reputation as a consistently great place to work, assumed an extremely low probability of rudeness among its employees, and looked at only three potential costs. Even in this exemplary workplace, it was estimated that incivility cost $12 million a year. That realisation led to the creation of Cisco's global workplace civility programme.

We close with a warning to those who think consistent civility is an extravagance: Just one habitually offensive employee critically positioned in your organisation can cost you dearly in lost employees, lost customers, and lost productivity. ◆

Christine Porath *is an associate professor at Georgetown University's McDonough School of Business.* **Christine Pearson** *is a professor of global leadership at Thunderbird School of Global Management.* *This article was published in* HBR, *January-February 2013.* *Copyright ©2013 Harvard Business School Publishing Corporation. All rights reserved.*

A Voyage to Accomplishment- Oil India Limited

Chairman's Statement at the 54th AGM of the Company

Dear Shareholders,

On behalf of the Board of Directors of your company, Oil India Limited, it is my pleasure to extend a very warm welcome to all of you to the 54th Annual General Meeting (AGM). Several initiatives have been taken during the year for the growth and expansion of the company.

The Fiscal 2012-13 for your company has been marked with a number of significant achievements. These include:

- The company has made a total of 9 Hydrocarbon discoveries in the upper Assam basin during the year.
- Hydrocarbon reserve accretion during the year 2012-13 was 9.78 MMSKL (O+OEG) of oil and gas.
- Highest ever total production of Natural Gas at 2639 MMSCM.
- Production of LPG was 46010 MT against an MOU target of 46000 MT set for the year 2012-13.
- The turnover for 2012-13 is ₹ 9947.57 crore.
- Record Profit After Tax of ₹ 3589.34 crore, a growth of 4.13% over the PAT of the previous year.
- Earnings Per Share (EPS) had increased to ₹ 59.71 in 2012-13.
- Record Highest Dividend Payment (HDP) of 300%.
- The company issued bonus shares in the ratio of 3:2.
- In its endeavor to harness unconventional energy, OIL commissioned a 54 MW wind turbine plant in Rajasthan.
- OIL has acquired 20% stake in Carrizo Oil and Gas Inc's liquid rich shale assets in Colorado, USA. This is OIL's first overseas acquisition on unconventional (shale oil) energy front.

PERFORMANCE RECOGNITION

You will be happy to learn that your company has received large number of appreciations and recognitions, for its achievements in different fields during the year.

Salient amongst these are:

- E&P Company of the year by Petrofed.
- Golden Peacock Occupational Health and Safety Award-GPOHSA 2012.
- Performance Excellence Award 2011 (Organization) by the Indian Institution of Industrial Engineering (IIIE).

- Oil Industry Safety Directorate (OISD) conferred OIL with the Safety Award Winner.
- Petrotech 2012 Special Technical Award on Sustainability and CSR.
- Golden Peacock Award for Corporate Social Responsibility for 2012.
- Greentech Environment Award-2012.
- Dalal Street Award for Best Managed Navratna PSU, 2013.
- Annual Greentech HR Gold Award 2013 for "Training Excellence".

INDIAN E&P INDUSTRY

During the year 2012-13, domestic Crude Oil production was 37.865 MMT about 0.6% lower than 2011-12. The total Natural Gas production was around 40.68 billion cubic meters. While the country's domestic production of Crude Oil remained at around 1% of global production, oil consumption grew to 4% of the world consumption. India currently imports around 84% of its Crude Oil requirement. From 1.6% in the previous year, our Natural Gas production in 2011 came down to 1.4% of the global production, while domestic consumption of Natural Gas continues to be around 1.9% of the global consumption.

COMPANY SCENARIO

Your company continues to be the second largest National Oil and Gas company in India in terms of total proved plus probable Oil and Natural Gas reserves and production for the year 2012-13. Your company's share in the country's total Crude Oil production was 9.8%. Our share in the nation's total Natural Gas production has increased from 5.1% in 2011-12 to 6.6% in the current year.

From the first 9 rounds of NELP bidding, your company now has 27 blocks, either alone or in partnership and OIL is the operator in 12 blocks.

During the year your company also acquired a liquid shale producing asset in USA.

PHYSICAL PERFORMANCE

During 2012-13 Crude Oil production was 3.701 MMT. Majority of OIL's production comes from ageing fields in the North East. Production of Natural Gas during the year was 2639 MMSCM which is also the highest ever by the company.

Your company has a strong oil and gas reserves base and as of March 31, 2013, the company's 3P reserves stands at approximately 1.35 billion barrels of OIL + OEG. Your company made a total of 11 discoveries during the year out of which 9 new oil and gas discoveries were made in the state of Assam. Your company also made its first discovery in NELP block as operator in Rajasthan. Heavy oil w discovered in the Bikaner-Nagaur basin. These discoveri have opened up new avenues which reflect a significa growth potential.

FINANCIAL PERFORMANCE

Your company has earned highest ever Profit After Tax (PA of ₹ 3589.34 crore during the year 2012-13 against ₹ 3446. crore earned during 2011-12, a jump of ₹ 142.42 cro Increase in total revenue was contributed by increas realization on account of Natural Gas, LPG and condensa claims towards under recovery of Natural Gas and oth income. This higher achievement is despite of havi provided subsidy discounts to the tune of ₹ 7892.17 crore compared to ₹ 7351.77 crore during 2011-12 to oil market companies. Improved financial performance has helped y company increase its net worth to ₹ 19212 crore as agains 17721 crore during the previous fiscal. The turnover for 20 13 is ₹ 9947.57 crore as compared to ₹ 9863.23 crore 2011-12.

OIL'S SHARE

Your company has been consistently performing well on bourses viz. NSE and BSE. This shows the confidence o shareholders and investors in your compa Bonus shares in the ratio of 3 shares for 2 shares held w allotted on 02.04.2012 by your company. The paid up sh capital has increased from ₹ 240.45 crore ₹ 601.14 crore on account of allotment of bonus shares.

DIVIDEND AND CONTRIBUTION EXCHEQUER

Your Board of Directors is now pleased to recomm a final dividend @ 70% on the paid up capital amou to ₹ 420.80 crore, subject to the approval of the shareho at this Annual General Meeting.

Your company also made substantial contribution both t state and central exchequer in terms of Cess, Royalty Sales Tax etc. The contribution to the state exchequer d the year was ₹ 1849.89 crore and that to the ce government was ₹ 4874.79 crore.

It is also a matter of great pride that your company's au annual accounts have "Nil" comments from the Comp and Auditor General of India for the eleventh ye succession.

STRATEGY FOR GROWTH

The key focus areas for growth of your company br cover the following:

- Maintain and enhance reserves & production fror assets.
- Focus on organic growth.
- Vertical integration along oil and gas value chain.
- Acquire blocks to augment existing reserve base.
- Acquisition of companies that are value accretive.
- Selective diversification along the value chain.
- Explore alternate energy opportunities in existing ac as well as inorganic opportunities.
- Becoming a world leader in IOR / EOR services.

EXPLORATION AND PRODUCTION

Your company's focus remains on our core busin exploration and production of Hydrocarbons and our st to accelerate our Exploration, Development and Proc activities. Enhancing recovery through Improve Recovery (IOR) and Enhanced Oil Recovery (EOR) sc and Optimal Reservoir Management (ORM) in the e mature fields remains the top priority of your company.

PRODUCTION OF NATURAL GAS

Your company achieved the highest ever production a of 2639.21 MMSCM and 2080.23 MMSCM resp during the year. We also notched up a significant achie in gas flare reduction in Assam. The present gas pro potential is about 7.2 MMSCMD from our Assa Arunachal Pradesh fields and about 0.80 MMSCMD f Rajasthan fields. We are working towards building up production potential to a level of 10 MMSCMD in th East by drilling of non-associated gas wells and work shut-in gas wells and adoption of the new well con technology.

ESEARCH & DEVELOPMENT

ur company accords utmost importance to up-gradation of chnologies and expertise in various areas of activities rough its own Research & Development centre. To bring out more focus to our R&D activities, a new R&D Policy has en formulated and approved for implementation by the ard of Directors.

VERSEAS PARTICIPATION

ur company now has overseas presence in eight countries, h acreage of 33657 sq. kms.

am happy to inform that your company along with dian Oil rporation ited (IOCL) has tly acquired % and 10% spectively in rizo Oil & Gas s ("Carrizo") d rich shale sets in orado, USA. has formed 0% wholly ed subsidiary exas, USA in name of Oil (USA) Inc.

reas 95/96 in Well No. 1 spudded in ember 2012 iscovery was made with the well producing 3050 BOPD of oil (44.5 API). In the third well also we have encountered 400 ft. of gas pay in tight sand. 3D seismic is also being d out in the 3rd phase of the MWP and over 1000 sq. km. acquired.

abon, in Shakthi block, where we are the operator, a very has been made in the third well that we drilled. **This first discovery of OIL in an overseas venture as an ator and we have reasons to celebrate.**

men, physical activities in the block area had been badly ed due to political crisis in Yemen. With improvement in the d situation, work programme has been resumed by the tor. 2D/ 3D Seismic survey has also been completed in 83. In Nigeria, JV block license has been converted to g lease OML 142. Mobilizatcn of seismic crew and ment has been completed.

o civil unrest in Egypt, it has affected the operational ies in some of the assets of your company in the MENA n. In the project Carabobo-1, Venezuela the development ies in the field are under progress. First oil production e project has started on 27th December 2012. Currently, ge production from the project stands at 1800 BOPD.

LINE TRANSPORTATION

pelines operates a 1157 km. long Crude Oil Pipeline of MTPA capacity that transports Crude Oil produced from s in upper Assam to the public sector refineries at igarh, Guwahati and Bongaigaon. The 600 km. pipeline nt between Bongaigaon and Barauni has been re-ered to enable oil flow in either direction and is now orting RAVVA Crude from Barauni to Bongaigaon. Since f the facilities associated with the pipeline are more than rs old, your company has currently undertaken a project gradation of all the pump stations.

RENEWABLE ENERGY

In its endeavor to harness unconventional energy, your company commissioned a 13.6 MW Wind Turbine Plant at Ludhureva in Jaisalmer district in Rajasthan. Your company successfully commissioned additional 54 MW wind power in Rajasthan during the financial year 2012-13.

During the year we commissioned a 100 KW Solar energy power project at Duliajan, Assam and one at Jaisalmer, Rajasthan also.

HUMAN RESOURCE – OUR ASSET

The objective of Human Resource Management (HRM) is to nurture an environment sustaining the positive culture and core values which would continuously inspire human resources to achieve excellence in all endeavors and maximize stakeholder value. In order to develop employee competencies for superior performance, during the year, 3048 employees were trained through courses organized in-house, 986 employees were trained through in-country programs and 281 were trained through overseas programs.

There was no man day loss due to industrial relations problem. I wish to state that your company has a great team of employees, who, through their competence and commitment, are giving shape to our dreams and building a new future for your company. We firmly believe that the prosperity of our business depends on successfully developing an integrated community of motivated and innovative employees. We cater for employee needs by building positive employee relationships through nurturing initiatives, innovations and aspirations in conformance with best practices, whereby we not only ensure commitment to honesty, integrity, transparency and mutual trust but also create employee pride.

HEALTH, SAFETY & ENVIRONMENT

Your company pays utmost importance to Health, Safety & Environment (HSE) and has a robust HSE policy. We can achieve our goal of sustainable development through proper management of HSE risks. OIL is committed to continuously review & improve HSE standards to prevent accidents, minimize environmental impact, prevent environmental pollution, reduce health and safety risks. To provide the framework and structure to meet the highest level of HSE expectations, a HSE-MS manual along with a guide has been prepared and adopted for all the operational areas of OIL. OIL's commitment to HSE performance is also reflected through one of its vision statements that "OIL is fully committed to Health, Safety & Environment".

CSR INITIATIVES

Your company makes an attempt to invest technology with a human face by embarking on social welfare and community development initiatives under different thrust areas so as to make a difference to the people and communities in its areas of operation.

Your company has, since inception, engaged itself directly with local communities, identifying their basic needs, and integrating them with its business goals and strategic intent. Its well structured social welfare programme in key areas like Education, Health, Agriculture Development, Livelihood Generation, Sports, Cultural and Infrastructural Development have been instituted to cater to the specific and developmental needs of communities in our operational areas.

As per the guidelines we earmark 2% of our net profit for CSR activities.

GROWTH VISION

With a view to meet the country's growing energy demands, your company has accelerated its exploration programme in frontier areas in the North East, which have proven Hydrocarbon resources and increased its drilling operations in the region.

We are accelerating our work in our NELP blocks and success in our exploration ventures in these blocks and overseas will augment the production potential further. Down-Stream integration, city-gas distribution, new pipeline business and entry into the non-conventional energy sector are new horizons to be conquered as the opportunities arise.

CORPORATE GOVERNANCE

We have always been proud of our robust and transparent processes and structures in place. These progressive systems ensure proper accountability and effective timely disclosures / reporting. The effectiveness is evident from the fact that the company has consistently had clean audit reports. Our corporate governance practices meet the stipulations of regulators including the DPE guidelines.

To further strengthen the Internal Control Systems (ICS), Internal Audit Manual (IAM) was prepared during the year 2012-13. The manual provide guidance and act as a tool for the Internal Auditor of the company to identify and manage internal auditing activities.

Your company also gives due importance to investor relations.

CONCLUDING REMARKS

It has been my privilege to preside over this AGM of your company. The excellent performance of the company has been recognized by the market and your efforts have been duly rewarded by sustained positive market sentiments. Your belief and faith in OIL will take your company to new heights in the coming years.

ACKNOWLEDGEMENT

In conclusion, on behalf of the Board of Directors of your company I thank all our stakeholders for their continued support, whose trust and confidence are pillars of strength in all our endeavors.

The Board wishes to thank the Government of India, various State Governments, Ministry of Petroleum and Natural Gas and other related ministries and the Governments of all the countries where OIL operates for their valuable support and guidance in your company's business.

I also take this opportunity to thank all Shareholders, Investors, Bankers, Financial Institutions, Business Associates, Customers and other Stakeholders who have been a source of strength.

Finally, your company's achievements and dreams for the future are the result of untiring efforts, commitment and dedication of each and every member of OIL family and we owe our gratitude to them. I would also like to thank my colleagues on the Board of the Company for their valuable contributions in steering the company to higher level of achievements.

I wish to acknowledge & appreciate the valuable contribution of Shri T.K. Ananth Kumar, Director (Finance) for the growth of the Company who shall be superannuating from the services of Oil India on 30.09.2013.

Let me re-assure you that, it shall always be our sincere endeavor in continuing the efforts to maintain OIL as a world class organization, in line with the Company's vision.

Wish you all the best!

Jai Hind

Date: 21.09.2013
Place: Duliajan

(S. K. Srivastava)
Chairman and Managing Director

Note: Excerpts from the Chairman's Statement at the 54th Annual General Meeting held on 21st September, 2013 at Duliajan, Assam. This does not purport to be a record of the proceedings of the Annual General Meeting.

ऑयल इंडिया लिमिटेड
(भारत सरकार का उद्यम)
Oil India Limited
(A Government of India Enterprise)

Adfactors/256

MONEY

OPPORTUNITY
EIGHT CITIES ARE WORKING ON NEW RAIL SYSTEMS: MUMBAI, CHENNAI, BANGALORE, JAIPUR, HYDERABAD, KOCHI, KOZHIKODE AND THIRUVANANTHAPURAM

Gravy Trains

With many cities developing modern rail links, consider investing in real estate in the areas the tracks pass through, as prices there are bound to rise.

By PRITAM P. HANS

If cities were living beings, transport networks would be the arteries determining their growth and health. As India urbanises at an unprecedented pace, its cities, struggling with expansion amid the huge influx of people, are working overtime to improve their transport systems. Many are betting big on modern monorail and metro rail networks. Since good connectivity is the biggest single determinant of development and, in turn, real estate prices, should you buy homes in areas that will be connected by these modern transport systems?

Taking a cue from Delhi, where the metro has been a huge success, many Indian cities are building their own rail networks. These systems make commuting a sail, making it possible for people to stay far from their workplaces. Cities where metro or monorail networks are under construction or have been planned are Mumbai, Bangalore, Chennai, Jaipur, Hyderabad, Kochi, Thiruvananthapuram and Kozhikode.

If you are an investor, it makes sense to keep track of these plans and act in time before property prices in the areas that the project will connect rise. Take, for example, the Mumbai metro rail system. "The first phase of the Ghatkopar-Versova link is supposed to become operational this year. In the eight years since the project was announced, prices in many areas that will benefit from the link have risen as much as 400 per cent," says Ashutosh Limaye, Head, Research and Real Estate Intelligence Service of real estate advisory Jones Lang LaSalle India.

A major beneficiary of metro rail projects is the suburban area that gets connected with the cities' business centre. "When a transport project is

announced, the increase in property prices happens in three phases. The first is at the time of announcement. The next is when construction begins. The final jump happens when the project is nearing completion," says Limaye.

Bahadurgarh

Real estate analysts are yet to accept this small town in Haryana's Jhajjar district as part of the Delhi-National Capital Region (NCR). However, things are likely to change soon.

The foundation stone of the metro rail line between Mundka in Delhi and Bahadurgarh (City Park, Sector 9) has already been laid. Work on the 11-km line is expected to start soon. The Delhi Metro Rail Corporation, which built the Delhi metro, plans to complete the line by 2016. The commuting time on this stretch will be 20 minutes. This means it will take slightly more than an hour to travel from Bahadurgarh to Connaught Place.

A number of builders are already active here, but most of them are local players. Among the established companies active is New Delhi-based Omaxe. It is selling two to three BHK (bedroom-hall-kitchen) apartments for ₹25 to 40 lakh. "Bahadurgarh has a location advantage. It is two km from the Delhi border and 20 to 25 km from Delhi localities such as Rohini, Paschim Vihar and Punjabi Bagh," says Mohit Goel, Chief Executive Officer, Omaxe. "Connected via National Highway-10, Bahadurgarh enjoys seamless traffic movement. The metro rail will make movement easier."

Omaxe says it decided to launch a township in Bahadurgarh because of the proposed infrastructure. "The government has recognised the importance of Bahadurgarh and is taking a number of initiatives to develop it as a model city. An industrial estate and a footwear park are being set up, which will immensely benefit the local population," says Goel.

Chennai

Chennai is set to have a monorail network apart from a metro rail network. One part of the monorail system is expected to be operational in 2014. In a monorail system, trains run on a single supporting track on an elevated platform.

"We believe both metro rail and monorail will have a great impact on infrastructure development. They will reduce traffic congestion and make the city smaller," says Arun Kumar, founder and MD, Casa Grande, a Chennai-based developer.

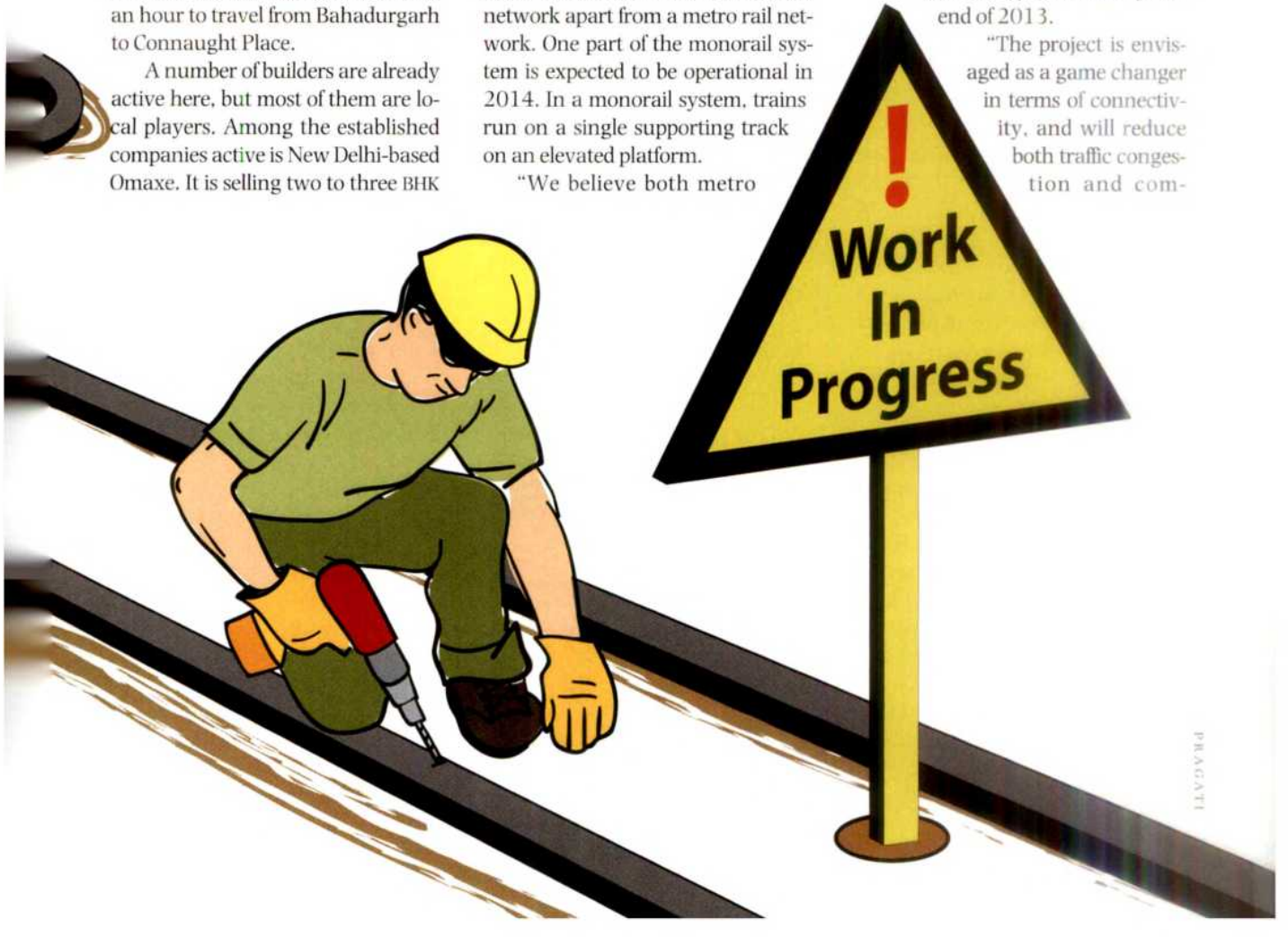
Locations that will gain, for instance, include Pallikarani and Medavakkam in South Chennai, which have already seen a decent jump in property prices. "Prices in these locations have risen more than in others. The demand, too, is healthy," says Kumar.

Bangalore

Among the country's major real estate destinations, Bangalore is seeing the development of a metro rail network that will cover over 100 km. In 2011, a small stretch of the network (Baiyappanahalli to Mahatma Gandhi Road) was made operational.

Some stretches are slated to become operational by the end of 2013.

"The project is envisaged as a game changer in terms of connectivity, and will reduce both traffic congestion and com-



PRAGATI

muting time," according to a JLL report. The first phase starts from the city centre and includes the East-West Corridor (about 18 km, connecting Baiyappanahalli and Puttenahalli) and the North-South Corridor (connecting Mysore Road and Tumkur Road). The entire first phase is likely to be finished by 2014.

The second phase, which includes four extension lines and two new ones, will improve connectivity with emerging locations such as Whitefield, Mysore Road, Tumkur Road and Bannerghatta Road. The second phase will be operational within five years of the Centre's nod.

The government's move to allow a higher Floor Space Index (FSI) of 4.00, as against 2.5 in the city, in areas within 500 metres of metro train stations will ensure optimum utilisation of high-priced land in these corridors. JLL says localities close to the metro stations are expected to see a rise in prices over the next five-seven years. The city has limited investor activity.

Jaipur

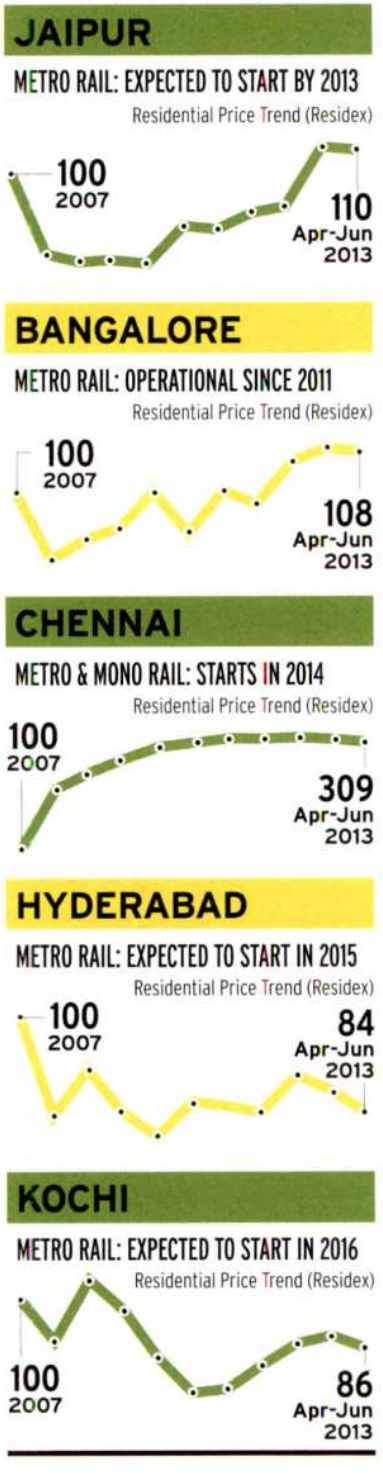
Jaipur is among the cities that are marketed to investors in the northern part of the country, primarily Delhi-NCR. After sluggish performance in the wake of the 2008 global slowdown, the market has gained strength this year. The city is set to benefit from the under-construction metro rail system. Though the project has been delayed, one section of the first phase (around 12km between Mansarovar to Chandpole) is expected to become operational in end-2013 or 2014.

Jaipur has seen high activity in suburbs such as Jagatpura, Vaishali Nagar and Patrakar Colony, according to a report by ICICI Housing Finance Company. There is also a lot of action on Ajmer Road, Tonk Road, Sikar Road, Sirsi Road and Delhi Road connecting Jaipur with neighbouring locations.

The city's proximity to the national capital has also helped the market. Many buyers are choosing Jaipur as an alternative to the expensive Delhi-NCR market.

A majority of new housing supply is in the range of ₹2,000-3,000 per square foot. A lower price means buyers want bigger apartments.

Jaipur also has the strategic advantage of being on the Delhi-Mumbai Industrial Corridor map, with Phulera as the nodal point for routing traffic from the city to the corridor.



Hyderabad

The city, which will be the joint capital of Andhra Pradesh as well as the proposed state of Telangana, is also set to have its own metro rail network. In the first phase, the Hyderabad metro rail will cover 72 km in three high-density traffic corridors. It comprises three lines – Miyapur-LB Nagar, JBS-Falaknuma and Nagole-Shilparamam. The eight-km Nagole-Mettuguda stretch is expected to be completed by December 2014. Some locations which will have metro stations are Nagole, Uppal, Habsiguda, Mettuguda, Secunderabad, Begumpet, Ameerpet, Hitech City, Shilparamam, Narayanguda, Falaknuma, Miyapur, Kukatpally, Erragadda Road, Punjagutta and LB Nagar.

Kochi & Others

While Kochi will have a metro network, Kozhikode and Thiruvananthapuram are going for monorail. In Kochi, the metro network will span 25 km. Some locations that will have metro stations are Aluva, Companypady, Ambattukavu, Kalamassery, Edapally, Palarivatom, Ernakulam South, Elamkulam and Petta. The travel time from Aluva to Petta using the metro will be around 50 minutes.

Property prices in Kochi haven't been able to recover from the impact of the 2008 financial crisis, as shown by data released by the National Housing Bank. On the positive side, property prices have increased by around 20 per cent between June 2012 and June 2013. However, prices declined in the quarter ended June 2013. ◆

Courtesy: *Money Today*

PC JEWELLERS BAGS THE 'LARGE - PLAIN PRECIOUS METAL JEWELLERY' AWARD at 40th INDIAN GEMS AND JEWELLERY AWARDS

PCJ has time and again proven their mettle and has always been a leading innovator in terms of trends and fashion statements. Always a forerunner in the jewellery industry, they have been amply decorated in the past to justify their market leadership.

[redacted] good on the expertise and insight of the top brass of the organization, PCJ has repeatedly presented timeless collections for their consumers. In recognition of their contributions, PC Jeweller has been awarded the top honours in the 'Precious Metal Jewellery Plain' category at the 40th Indian Gems and Jewellery Awards held at Mumbai on Oct 5, 2013. The awards were organized by The Gem & Jewellery Export Promotion Council (GJEPC) and were judged by an eminent jury panel comprising of the elite members of the industry.

The honour was felicitated by Shri Kapil Sibal, the honourable Minister of Communications and Information Technology and Law and Justice, to Mr. Balram Garg, Managing Director of PC Jewellers Limited. The award recognizes the company's excellent and meritorious performance in the segment of gems and jewellery export and was based on factors such as export performance, value additions, employment generation and investment on R&D among other parameters during the year 2012-2013. The most noticeable aspect of this achievement is the fact that PCJ is the only company who has won this award from Delhi region.

The eminent jury panel comprised of Smt. Nirupa Bhatt, Managing Director (India & ME), GIA, Shri. K. Subrahmanyan, Executive Director, Union Bank of India and Mr. Pawan Bindal, Director, Dun & Bradstreet. The selection process was based on a new methodology developed by D&B and was even more robust and rigorous than the previous years. The committee members had received 270 nominations this year, out of which only 31 winners were selected for the final awards.

Mr. Balram Garg, Managing Director, PCJ said, "We are delighted to receive this honor & We thank the Jury Members and GJEPC for this award and are motivated to continue this enthusiasm and dedication in our work."

PCJ
Jeweller for generations

Email: rahul.pcj@gmail.com I T: +91-11-49714971

PROF DEEPAK MALHOTRA
Harvard Business School

THE TURNAROUND

Make the worst of times your best of times

How to make innovation a way of life. How to master the fine art of negotiation. How to decide which leadership style works for you and your organization. Plus: management lessons from mythology; interactive sessions with young business celebrities; lessons in fitness and health. All this and much more at the first Business Today MindRush, where young CEOs and senior executives come in close contact with global thought leadership. Come, plug into an influential business community.

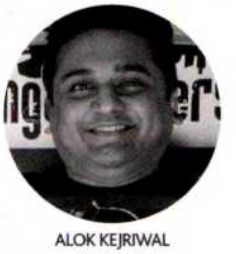
SASHA MIRCHANDANI
Kae Capital

SACHIN BANSAL
Flipkart

DR. DEVDUTT PATTANAIK
Future Group

RIYAAZ AMLANI
Impresario Entertainment & Hospitality

DEEP KALRA
MakeMyTrip.com



ALOK KEJRIWAL
2win Group

N. R. NARAYANA MURTHY
Infosys

JOHN KAO
Institute for Large Scale Innovation

WAVE
PRESENTS

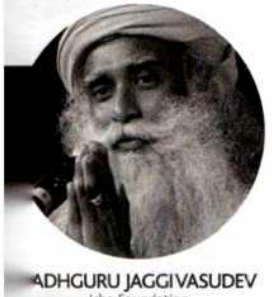
business today
MIND RUSH

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW

www.businesstodaymindrush.com

MANDIRA BEDI
Actress & Presenter



ADHGURU JAGGI VASUDEV
Isha Foundation

TV PARTNER
HEADLINES TODAY

RADIO PARTNER
OYE! 104.8FM
SABSE FILMI

NEWSPAPER PARTNER
MAIL TODAY
News for the new world

ONLINE PARTNER
INDIA TODAY.in

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

LBNL
LAST BUT NOT LEAST

RIGHT CLICK 188 BOOKS 190 PEOPLEBUSINESS 200

Body language: Some artists from Delhi, the country's tattoo capital

I Ink, Therefore I Am

Tattoo studios and artists proliferate as an ancient art turns hip.

By KAAVYA CHANDRASEKARAN

It prevented the soldiers from deserting the army in ancient Rome, and marked the identity of prisoners. Today, a tattoo is a badge of coolness. "It is seen as a fashion statement," says Mo Naga, owner of Headhunters' Ink Tattoo School. "It must be the fastest growing industry, but it is going unnoticed."

Naga's school, attached to a tattoo studio, in Guwahati, Assam, opened last December, and charges about ₹1.2 lakh for a 10-week course. Many studios offer training programmes, and typically accept no more than five students at a time. Basic knowledge of sketching and painting is generally a prerequisite. Some of the more accomplished artists even do portraits – and these aren't cheap. Lokesh Verma, owner of Devilz Tattooz in South Delhi, specialises in them, and a 4X5-inch portrait takes about four hours and can cost as much as ₹20,000.

Naga says he wants to revive traditional tattoo art in the Northeast. "We don't have to imitate western culture blindly," he says. He is researching the art, and says that traditionally, it was used by Naga men and women as a mark of achievement. In the past, that achievement was sometimes headhunting, or the practice of preserving someone's head after killing them for reasons including ritual and warfare. For women, tattoos marked stages of life, such as puberty and marriage. The Nagas are a number of tribal groups from Arunachal Pradesh, Assam, Manipur, Myanmar and Nagaland.

In the late 1980s, says Naga, tattooing began to be influenced by Chinese and Burmese designs. "In 2007 and 2008, it became influenced by western culture all over India," he adds. He says TV shows had a huge impact, such as *Miami Ink*, a reality show about a tattoo parlour in the US state of Florida. "It was a craze for DJs a year ago. It's a huge market now. Before that, only musicians and artists had tattoos." Delhi, he maintains, is India's tattoo capital today.

Studios charge around ₹1,500 for the first square inch and ₹500 for every additional square inch

Hardy Mitra, owner of Funky Monkey in Delhi, says it is the city's oldest tattoo studio. "The revolution was started by me 11 years ago, when I had parlours in Bangalore, Chandigarh and Bombay," he says. He now has a studio in South Delhi and one in the neighbouring city of Gurgaon.

Funky Monkey's customers range from 18- to 63-year-olds. "The phobia has gone," says Mitra. "Tattoos are no longer associated with bikers and drug addicts. Now, even a mother of two gets tattooed. You see people at interviews with tattoos."

Men usually want tattoos on their biceps, shoulders and forearms, while women go for the bust, shoulder blades and ankles

Tattoos may be popular, but they are not cheap. Studios typically charge ₹1,500 for the first square inch, and ₹500 for every additional square inch. Interestingly, growing demand does not seem to have affected prices. "It was ₹1,500 ten years ago, and hasn't gone up since then," says Mitra.

Customers happily cough up the money to subject themselves to the pain. Men usually want tattoos on their biceps, shoulders and forearms, while women go for the bust, shoulder blades and ankles. Vaishali Nanda, a 26-year-old architect in Delhi, has five tattoos from different places in Delhi, Goa and Mumbai. She says: "The first time was really good, even though I was kind of nervous." She says all her experiences were smooth, except for one time when she blacked out. She was getting inked on her hip, a sensitive region. "I passed out for two seconds when it hit the pelvic bone area," she says.

It is difficult to estimate the size of the industry, given that it is not organised. Mitra says there are about 60 studios in Delhi.

PHOTOGRAPH BY VIVAN MEHRA & ADITYA KAPOOR

It is also difficult to trace the growth of tattoo studios in India. Sameer Patange of Kraayonz Tattoo Studio in Mumbai's Bandra suburb says he is among the earliest to start one. He learned the art from psychiatrist J.A. Kohiyar, who doubled as a tattoo artist in his clinic in South Mumbai and got up to three clients a week. Kohiyar is widely acknowledged as a pioneer in the industry. "When I joined him 15 years ago, he had been doing it for 25 years," says Patange. Back then, he adds, tattoos were much simpler and minimalistic in terms of lines, colour and shape.

"I became the youngest tattoo artist at 20, into my fourth year of tattooing," says Patange. He says he received extensive media coverage, after which other artists and studios came up. Now, his Mumbai studio averages two customers a day. His Bangalore and Pune studios get one or two customers daily. He says that although Goa is a seasonal market, business is good, with as many as six customers on a good day. "I get clients who know what they are getting into," he adds.

Kraayonz has follow-up sessions to ensure that the tattoo is healing well. "A tattoo is an open wound – different skin types may react differently," he says. Healing time is generally two weeks. During that time, the tattoo must be washed daily, and protected from direct sunlight.

A chunk of the business in some places is cover-ups of shabby tattoos or declarations of a love that did not last. Chennai's Irezumi studio gets 30 to 40 cover-up customers a month. Owner Naveen Nandakumar says Irezumi advises people against getting names tattooed. "They come here asking for their girlfriend's or boyfriend's names, but we tell them it's hard to remove. Very few listen." He adds that a few who have heeded the advice have later thanked Irezumi located in Nungambakkam. "Others return after three months with a sorry face," he says. Mitra of Funky Monkey backs this up. "Thirty per cent of our customers come in to cover up other tattoos," he says.

Irezumi's story is indicative of how business is growing. The lavish studio began with an investment of ₹20 lakh in 2006 (a simpler set-up would need an investment of ₹5-6 lakh). Nandakumar recovered his investment in about two years. He also owns a studio in Ooty and two in Coimbatore.

Cover-ups of shabby or regrettable tattoos account for a good chunk of business

"What Chennai was seven years ago, Coimbatore was three years ago," he says. His clientele has grown 20 per cent year-on-year since 2006.

Not surprisingly, more and more people are becoming artists. The money is not bad: at Abhishaik Madhur's Indelible Tattooz studio in South Delhi, artists earn around ₹40,000 a month.

Irezumi's Nandakumar says: "Real estate agents and blacksmiths are getting into it. They buy a basic kit from me and start tattooing." He distributes equipment from a US-based supplier called Tattoo Gizmo. He says there are about 150 artists in Chennai.

Tattoo equipment has evolved rapidly. "In the old days, we had machines that made noise," says Mitra of Funky Monkey. He adds that newer machines are quieter, and cost 300-400 euros (₹25,200 to ₹33,600).

Although there is hardly any regulation of the business, studio owners emphasise hygiene. This means using disposable equipment parts, protective plastic covers, and lots of disinfectant.

Given the absence of legal regulation, pretty much anyone can open a studio. "There are more than 375 artists on the loose and the competition is growing," says Naga. He adds that some artists offer "unbelievable discounts", and says vendors on the street can spread disease. A studio, he says, should be maintained like a clinic.

The art is becoming increasingly sophisticated. Madhur shares the story of a client who survived a horrible car accident unscathed. He wanted a tattoo to mark his life-changing experience. After four days of mulling over ideas, Madhur's studio came up with an image of light streaming in through an open door, signifying new life. The client has this tattoo on his forearm. ◆

Send your comments to editor.bt@intoday.com

श्री राधे गुरु माँ

17 Years || 1700 Campaigns || 1200 Product Launches || 350 In-Film Brandings || 1500 Event Sponsorships

Unbeatable deals on....

- ROTATIONAL PLANS - BARTER DEALS - EQUITY DEALS
- EASY PAYMENT TERMS - PAN - INDIA PRESENCE

* HOARDINGS
* BUSES
* BUS SHELTERS

GLOBAL ADVERTISERS

* AIRPORT MEDIA
* RAILWAY MEDIA
* INNOVATIONS

Sanjeev Gupta 9820082849

www.globaladvertisers.in
info@globaladvertisers.in

NANDAGOPAL RAJAN

Clout with a 'K'

Measures of social media impact assess both number of followers and interaction level

Social media, and all the likes and retweets that come with it, is very good for the ego. But is there any way to measure how much impact your 140 characters of sarcasm, or the Instagram of your last Italian meal, had on your peers? Yes indeed, there are many. None of them is perfect, but all are good indicators of what is and what isn't working for you.

For over a year now, I have been studying Klout, which of late has become the benchmark for measuring web influence. Once you have linked all your social networks to Klout, it calculates your score on a scale of one to 100. Anyone with a decent level of engagement scores over 30. At the top end of the scale are the social media rockstars like Shashi Tharoor with scores of over 85. But anyone with a score of 60 or more is considered an 'influencer'.

Klout scores are not based on just the number of Twitter followers or Facebook likes a person has. It is also indicative of your level of engagement. So, if you reply to every post, retweet stuff you like and 'like' posts on others' pages, you will have a better score than someone with millions of followers but hardly any activity. This is why many bloggers have better scores than, say, the official account of the Prime Minister of India. Just for the record, the @PMOIndia handle has a score of 82, and @narendramodi, the handle of the person who wants to replace him, has a score of 89. That's a good indicator of the engagement levels we talked about earlier.

There are other measures too. Kred, for instance, looks at the same platforms as Klout, but gives scores on a scale of 1,000. So, a person with a Klout score of 80 is likely to have a Kred score in the 800s. What both these services map well are the domains where you are making an impression. They also highlight the moments that made an impact on your scores. They provide as well a list of people who influence you, usually those whose tweets you retweet the most or whose Facebook posts you 'like' more often.

RAJ VERMA

Klout or Kred scores are great tools for those in social media marketing. With a bit of study, you can understand what kind of posts are working for you or your brand. While you can easily spend a few hundred dollars to get thousands of new followers, these indicators will teach you how to grow your fan base organically. You will, in fact, get a lower score if you have an unusual number of fake followers. So don't be surprised if a lot of Indian politicians and Bollywood wannabes fare poorly with the scoring. And don't laugh when I tell you there have been instances in the US where people have added their Klout scores to their resumes.

It is, however, also easy to influence these scores. Klout, for instance, seems to be very sensitive to Instagram activity and a photo with over 100 likes will take your score up by a percentage point. So, if you are not trying to fan your ego and want a genuine idea of what your grip on social media is, it is better to use multiple services. So add PeerIndex and TwentyFeet, along with Klout and Kred, to your score sheet. Together they will paint a good picture of how much your social side is worth.

Recently, SumAll opened its services to individuals and brands. It is more useful for small-time online vendors, as it also lets you track Google AdSense, Amazon, eBay and PayPal, even their sales and receipts. It also collates all your data on a single trend line or table so that you know where you are flagging. Paid services on all these are much better than what you get for free. To be successful on the digital stage you have to go out all guns blazing, and it makes sense for people who earn money online to spend some to get their analytics right. ◆

INDIA TODAY GROUP

भारत के कल की झलक, आज एक क्लिक में

इंडिया टुडे लेकर आया है भारत में पहली बार eचुनाव

blackpencilindia/Aaj Tak/0077-13

EMI freeCar .com

Presents

eचुनाव

आज तक

सबसे तेज़

Print Partner

MAIL TODAY

Read by those who matter

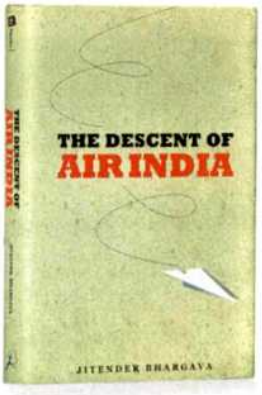
ऑनलाईन वोट करिये और जानिये क्या होगी भारत की राजनीतिक तस्वीर चुनाव के बाद। वोट करने के लिए लॉग ऑन कीजिए:

www.aajtak.in/echunav

या कॉल कीजिए 09699578006 पर।

Both Murder and Suicide

A tell-all account of how politicians, unions and its servile chairmen destroyed Air India



The Descent of Air India
By Jitender Bhargava
Bloomsbury Publishing India
Pages: 271; Price: ₹499

Jitender Bhargava served Air India for over two decades and retired as executive director of the beleaguered state-owned airline. His book *The Descent of Air India* is a 'tell all' account, unravelling the fall of his former employer and the actions of the people in power that led to it.

Bhargava draws a parallel with Agatha Christie's *Murder on the Orient Express*, where all 12 suspects in a murder are eventually found to have joined hands to kill the victim. So too, no one person or agency, but several are responsible for Air India's collapse, he says – the unions, the politicians and bureaucrats and the overly submissive chairmen and managing directors of the airline. But above all, Bhargava feels that it was the ill-conceived, hurried and half-hearted merger of the domestic (Indian Airlines) and the international (Air India) entities that killed the latter.

He also analyses how Air India's decline was facilitated by its own employees, who were not committed enough and did not move fast enough in the right direction when it was required. He concludes that the airline's death was not just murder but suicide as well. Among the killers, Bhargava considers the Ministry of Civil Aviation a prime suspect. The murderers together ensured that while the paperwork kept moving, the real benefits that could have accrued from the 'maha' merger were never realised. Proposals by leading consultancy firm Accenture, which had advised the merger, were never fully implemented.

According to Bhargava, V. Thulasidas, Air India's former chairman and managing director, and Praful Patel, former civil aviation minister, took many decisions that were detrimental to the airline's interest. "I felt Air India witnessed its worst phase of political interference during the Praful Patel–V. Thulasidas tenure during which decisions on acquisition or leasing of aircraft, purchase of merchandise, appointments... were taken without any thought for the airline's future," he writes.

Bhargava, who was Air India's public face till early 2000 and perforce had to defend management policies then, also blames the unions. The decay started way back in the 1970s, he says, and it was because of them. "In the 1970s unions dominated cabin crew and their interests were not aligned to Air India's interests. Productivity was at the back burner and agitation was the buzzword." The book further observes how international carriers took advantage of the slipping service standards and "the rot of 1970s began to smell in the 1990s".

The book shows up Air India as a failing airline that has rotted to the core and says no ostensibly positive sign should be taken at face value. "... One should not ignore the ground realities. Unless the real picture is known, all attempts at course correction would be half hearted," he writes.

The timing of the book could not have been better, what with Ajit Singh, the current civil aviation minister, having recently raked up a controversy by suggesting that Air India needed to be privatised to survive and compete without government support. And as the dynamics of the aviation industry in India continue changing, with new players throwing up challenges and existing ones forging new strategic alliances, Bhargava raises another pertinent point: has Air India become irrelevant to Indian aviation? The answer is a resounding yes, if we take a look at the airline's diminishing market share, with less than one in five passengers patronising it, and its dwindling esteem among travellers. ◆

MANISHA SINGHAL

The book asks if Air India has become irrelevant to Indian aviation. It says the answer is a resounding "yes"

www.sunestatesgoa.com

DESIGNED FOR YOUR ESCAPES

Exclusive Villas in Nerul, Goa

Project Highlights:

- Architecture and experience designed by David Ruff, New York
- 3 minutes drive to the Candolim beach
- 3 bedroom Independent & Semi Detached Villas with attached servant quarters
- A private pool for each villa
- Design features like kidney shaped sky light, court yard, independent car park
- Villa sizes ranging from 2400 sq. ft. to 5000 sq. ft.
- Completion by December 2014

Sun Estates DEVELOPERS

info@sunestatesgoa.com, sunestatesgoa@gmail.com +91 9860910505
Miramar Beach Road, Next to Hotel Blue Bay, Caranzalem,
Panaji-Goa 403002 India

business today
FOR MANAGING TOMORROW

INDIA TODAY GROUP

Beat Stress
with Business Today

Business Today: A 10,000 Ft, 360 Degree View offers

- Deep insights into the **CORPORATE WORLD**
- Exclusive Interviews with **TOP BUSINESS PERSONALITIES**
- **SPECIAL FEATURES** that mine data to analyse a range of topics
- All the latest **TRENDS and EVENTS** in the world of business and economy

Term	No. of Issues	You Pay (₹)	You Get
2 Years	52	~~2080~~ 1755/-	Save 15% + Get a USB Massager
1 Year	26	~~1040~~ 885/-	Save 15% on the Cover Price

Best Buy

2-YEARS SUBSCRIPTION GIFT

USB Massager

- **Handy when sitting long at work**
- **Plugs into USB port, or use with AAA batteries**

Please fill in the form and send it us at the address mentioned below

Business Today Subscription Form

Send form with your payment to LIVING MEDIA INDIA LTD., A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

☐ 2 Years (52 Issues) : Pay ₹ ~~2080~~/- ₹ 1755/- Save 15% + Get a USB Massager FREE! Best Buy

☐ 1 Year (26 Issues) : Pay ₹ ~~1040~~/- ₹ 885/- Save 15% on the Cover Price

BT 10 NOV 13

Name..... Address.....

.....City.....

Postal Code.....Tel./Mobile.....E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ ☐

Card No.....

Expiry.....Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No.....(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 50/-)

Subscription Terms & Conditions: This authorises us to communicate about our products & promotions through mail/phone/printed material/email etc. This authorisation is irrespective of my instructions elsewhere of not to be contacted or informed over phone/email/mail etc. Cover Price of BT is ₹ 40. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. The images shown here are indicative, actual product may vary. Add Rs. 50/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are dispatched. T&C apply.

To Subscribe - Email: wecarebg@intoday.com or Call Toll Free No.: 1800 1800 100 or (0120) 2479900

A Bankable Option

Despite the downturn, banks continue to recruit liberally and have become the preferred choice of many job aspirants. By ARUNIMA MISHRA

RACHIT GOSWAMI/www.indiatodayimages.com

Learning tree: Rajesh Dahiya (second from right) of Axis Bank at an employee interaction session in Mumbai

Sambit Priyadarshi, 25, always wanted to join the banking sector. An alumnus of Xavier Institute of Management and Entrepreneurship (XIME), Bangalore, he made up his mind to do so immediately after his summer internship with a company in the banking, financial services and insurance (BFSI) sector. Despite better paid job offers from a multinational bank and a consultancy firm, Priyadarshi chose the public sector Bank of Baroda (BoB) because he wanted job security and the facilities provided by such banks. He joined BoB in Ahmedabad as a Human Resource (HR) officer this September.

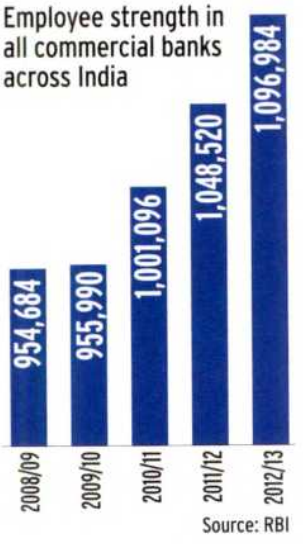
"Indian banks have immense potential," says Priyadarshi. "Because of their global outreach and size, they are exciting to work for. They provide excellent working conditions and learning opportunities, attractive compensation packages, friendly work environment, online learning and more." He hopes BoB will post him overseas in places where it has a presence, such as Southeast Asia.

Like Priyadarshi, many youngsters have lately been attracted to the banking sector. Banks have seen an addition of around 45,000 people every year for the last three years (see *On the Rise*).

According to various industry reports, hiring in the sector is likely to rise further – over a million in the next five years – because a large number of bank employees are reaching retirement age.

On the Rise

Employee strength in all commercial banks across India



Source: RBI

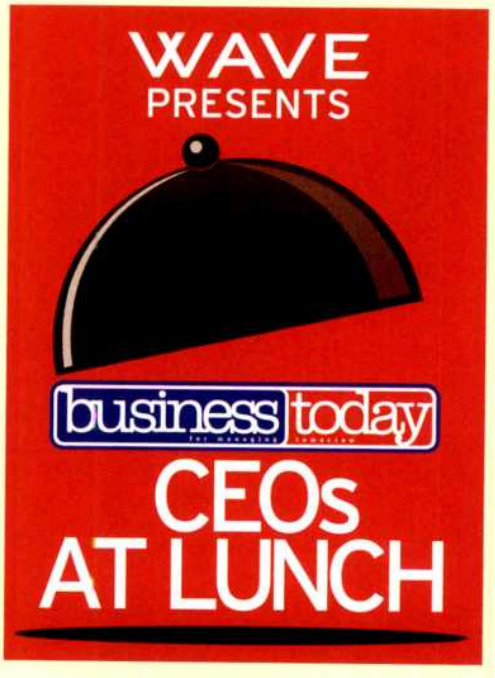
INDIA TODAY GROUP

The High Table OF BUSINESS

A power meeting of a small, select group of the country's top corporate citizens.

on Friday, October 25 at ITC Maurya, New Delhi

Time For Coalition Economics:
The Agenda For India 2014



HOSTED BY

ITC HOTEL
RESPONSIBLE LUXURY
ITC MAURYA
NEW DELHI
A LUXURY COLLECTION HOTEL

By invitation only

Beneficence of Banks

The banking sector contributes 2 to 3% to India's GDP

It is expected to grow at 20% over the next decade

It has been adding 45,000 people every year for the last three years

Hiring is expected to go up 30% this year

To serve rural needs, 500,000 banking correspondents will also be taken on

A probationary officer at a PSU bank starts at a salary of ₹4 lakh per annum

40% of the country's population is still unbanked

BoB, for instance, will be recruiting 4,000 officers in 2014/15, because large numbers of employees are retiring. "About 50 per cent of our workforce is aged above 50 years," says S.K. Das, Chief General Manager, HR Management, BoB. "We expect our young workforce to double in the next four years."

Also, given the government's focus on financial inclusion and rural penetration, there is huge headroom for growth – and consequently employee intake – as well. Nearly 40 per cent of the country's population is still unbanked.

Says Moorthy Uppaluri, CEO of leading HR services firm, Randstad India and Sri Lanka: "Public sector banks are planning to recruit 500,000 to 700,000 people in the next few years, as close to 50 per cent of their workforce in the lower and middle level functions will be retiring. Also, to meet their rural banking targets, it is estimated that close to 500,000 banking correspondents will be taken on." Uppaluri adds that India is emerging as a leading global banking and financial services back office hub and there is growing traction with global banks and their IT partners to hire the right talent.

Neither is bank recruitment being confined to trendy metros and top level institutes. Banks are increasingly looking at Tier-II and Tier-III cities. Numerous graduates and postgraduate candidates are joining banks from mid-level institutes in these places.

Banks often seek the help of HR service providers such as Randstad, the Institute of Banking and Personnel Selection (IBPS) and training academies such as Manipal Global Education Services (MaGE) to recruit and train the newcomers.

In the January to March quarter this year, even in the banking sector, hiring was subdued. But in the last few months, Randstad has seen increased uptake in hiring across levels in Mumbai, Delhi/National Capital Region (NCR), Chennai, Pune and Bangalore.

What qualities do banks look for while recruiting for operational jobs? High analytical skills and an economics and statistics background, are prominent among them. For commercial banking, candidates with exposure to customer facing roles, customer care and consultative selling are preferred. "In the rural banking division, candidates with a background in agriculture are given preference, as such people understand the sentiments of the customers in rural regions," adds Uppaluri.

In 2011, IBPS announced a common written examination (CWE) for the selection officers and clerks in banks. This examination is now mandatory for anyone who wants to join any of the 20 public sector or regional rural banks. All banks use written exams and interviews for recruitment. Unlike in the past, all the written tests are now online. Private banks also conduct similar tests, but they have a choice of partnering with IBPS or private assessment companies such as MeritTrac.

MaGE has been providing customised talent development, induction, onboarding and leadership programmes since 2007. Several banks, both in the public sector and private, have taken advantage of it to get their long-term probationary officers (POs) trained. "Banks send those recruited for a 12-month training programme here," says V. Sivaramakrishnan, Executive President (Education Services), MaGE. "Of these, nine months training happens in our residential campuses in Bangalore and Jaipur, followed by three-month training at the respective banks." So far around 10,000 bank officers have trained at the Academy, with another 11,000 scheduled to do so this year.

There is also the ICICI Manipal Academy for Banking and Insurance (IMA) a joint venture of the ICICI Bank and the Manipal Group. It was set up in 2007 to train selected personnel of ICICI Bank and make them 'industry ready'.

Other private banks are also paying considerable attention to recruitment and training. Says Subhro Bhaduri, Executive Vice President and Head, HR, Kotak Mahindra Bank: "As we don't always get the right talent, we are tying up with universities and professional bodies to get trained personnel." On training, Axis Bank believes in creating all-rounders. "As part of the experiential learning module, all our employees have to try different roles and it's mandatory for them to spend a minimum amount of time in our existing branches that gives them a different experience," says Rajesh Dahiya, President, HR, Axis Bank. ◆

Senior Management Jobs brought to you by monster.com

Pricol Limited
Head -Telematics
Location: Coimbatore
Job ID: 13509058
Description: Heading Telematics projects for Pricol Limited. Providing leadership and direction to the Project teams. Responsible for Quality Cost & Delivery. Handling Software Development. Handling Hardware Development.

Allscripts
Sr. Manager - Quality Engineering
Location: Bengaluru / Bangalore
Job ID: 14031127
Description: Resource forecasting and allocation of software engineers, quality engineers, and/or technical authors across several development Programs for new product development.

Virgo Valves & Controls Ltd
Head-Security
Location: Pune
Job ID: 13874178
Description: Responsible for the Gate automation, visitor management System, CCTV System, Traffic management systems & programs required for security administration.

Sapient
Senior Art Director
Location: Gurgaon
Job ID: 13980135
Description: The Senior Art Director is a senior creative individual with high level conceptual and art direction skills in the context of digital communication.

Adecco India Private Limited
I&C Work package
Location: Dhursar
Job ID: 13966804
Description: Contract Period - I yea Require candidates with manageme experience in design, installation, erectic and operation for a contractual position.

Akshay Software Technologies
VP Fund Accounting
Location: Mumbai
Job ID: 14038046
Description: Manage and lead a team fund accounting professionals who wo report to the position / the client on a da / weekly / monthly or a periodic basis.

Newgen Software Technologies Limite
Global Head- Sales and Marketing
Location: Delhi
Job ID: 13204938
Description: Develop and implement S Plans to target, penetrate, qualify, defi propose, close and contract new busir revenue for the company.

ABC Consultants Private Limited
Director Finance
Location: Delhi, Gurgaon
Job ID: 13840238
Description: Looking for Chart Accountant with 14+ years of exper who are currently playing a Fina Controller / Business Controller role TOP Management level with an MNC.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butt

business today

Jobs Today

monster
Find Better.™

IT Jobs brought to you by monster.com

Larsen & Toubro Limited
Instrumentation and Mechatronics Engineer
Location: Mumbai
Job ID: 14107461
Description: Should have knowledge and hands on experience in Electro hydraulics and Servo system. Proficient in reading and creating P&ID. With 8-10 years of experience.

CareerNet Technologies Private Limited
C++/Telecom Specialist
Location: Bengaluru / Bangalore
Job ID: 12891593
Description: Languages: C++ (Expert level knowledge expected).

JSW Steel Limited
SAP MM Consultant / Lead
Location: Bengaluru / Bangalore
Job ID: 14037565
Description: Should have 4+ exp in SAP MM module.

Symphony Teleca Corporation India Private Limited
Cloud Admin (Lead)
Location: Bengaluru / Bangalore
Job ID: 13617468
Description: Depth knowledge on AWS virtual server and various services like - EC2, EBS, S3, CloudFront, Elastic IP and etc.

Fujitsu Consulting India Private Limited
Oracle eBS Solution Architect
Location: Bengaluru / Bangalore, Noida
Job ID: 14008028
Description: Strong understanding of Oracle eBS architecture.

UnitedHealth Group
Senior Software Engineer - Datastage
Location: Noida
Job ID: 14082166
Description: Research complex functional issues using a variety of resources, Analyze and interpret complex business requirements/ workflows.

IMSI India Private Limited
Informatica Developer / Sharepoint Developer
Location: Bengaluru / Bangalore
Job ID: 14096192
Description: Expertise and experience with complex technical activities.

Amdocs Development
JAVA J2EE-27076
Location: Pune
Job ID: 13938140
Description: Understanding of Customer requirements and preparation of detail design.

o apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Better Access
Monster on mobile helps you find candidates anytime, anywhere

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster
Find Better.™

business today

Jobs Today

monster
Find Better.

Sales and Marketing Jobs brought to you by monster.com

Replicon
Corporate Sales Trainer
Location: Bengaluru / Bangalore
Job ID: 12804498
Description: The sales trainer is expected to develop a training program that is unique to the organization's goals, values and mission statement.

Deloitte Consulting India Pvt. Ltd.
SM&BD - Marketing Analytics - Assistar Manager
Location: Hyderabad / Secunderabad
Job ID: 13757779
Description: Overall 7+ years experienc in analytics/ statistical modeling domain enterprise level with 3+ years of relevar marketing experience and experience interaction with clients based in US.

Xchanging Technology Services India Private Limited
Enterprise Sales Manager
Location: Mumbai, Pune,
Job ID: 13904562
Description: Candidate must have Experience on sales of Solution, Products (Licenses) & Services pertaining to manufacturing domain (PLM, CAD & CAE).

Zeeboombaa Manpower
Sales Manager
Location: Mumbai
Job ID: 14098245
Description: Responsible for dealing wi End customer. Governme dept./Electrical Consultant.

Angel Broking Limited
Sales Exec/ Sales Representative
Location: Bengaluru / Bangalore
Job ID: 13868239
Description: Meeting corporate clients and acquisition of investment product, convincing, explaining about financial market,(BSE,NSE) etc.

Thomson Reuters
Senior Sales Executive
Location: Ahmedabad
Job ID: 14083263
Description: Experience in Cold Calli Lead generation, Field sales essential.

Mastek Limited
Senior Sales Manager/Business Development Manager
Location: Bengaluru / Bangalore, Chennai
Job ID: 14046505
Description: The successful candidate will be a consummate and credible sales professional selling IT solutions to State & Central Governments.

TIBCO Software India Private Limite
Sales & Marketing Consultant
Location: Hyderabad / Secunderabad
Job ID: 14052417
Description: Work on pre-sales and p sales POCs, Innovation and Architect engagements with strategic TIBC customers.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butt

BeKnown
On Facebook

Better Connections
Connects people to Brands on the Most Active Social Network.
Http://apps.facebook.com/beknown

Better Acc
Better Connecti
Better Candida

Get Lucky. Get Active with Monster.

monste
Find Bet

business today

Jobs Today

monster® Find Better.™

Finance Jobs brought to you by monster.com

Kelly Services India Private Limited
Senior Process Executive - General Ledger,
Location: Bengaluru / Bangalore
Job ID: 14006503
Description: Must have 2 - 3yrs experience in general ledger (only).

Jindal Steel & Power Limited
Accountant
Location: Sonipat / Sonepat
Job ID: 14096923
Description: Responsible for Accounting Activities and related MIS.

EXL
Associates & Sr.Associates - Accounts Payable Process
Location: Bengaluru / Bangalore
Job ID: 14029856
Description: Candidates with 1-4 years of Accounts Payable experience.

NIMT Group Of Institutions
Accountant
Location: Noida
Job ID: 13954264
Description: Accounts and Billing Operations- Managing Patient Accounts- Keeping track of payments, dues and receivables.

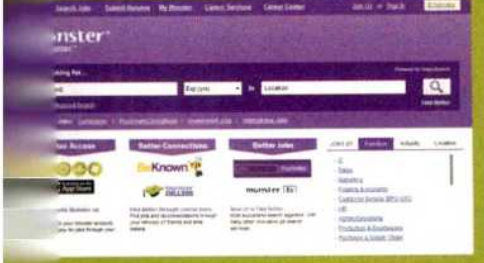
NCR Corporation India Pvt. Ltd.
Tax Manager
Location: Mumbai
Job ID: 14068248
Description: 7+ years of corporate tax or public accounting experience, Strong English skills, Goal oriented Etc.

ACS, Inc.
Accounting Sr Assistant
Location: Bengaluru / Bangalore
Job ID: 13938138
Description: Looking for Accounting Sr. Assistant with good communication skills.

Fidelity Business Services
Specialist
Location: Bengaluru / Bangalore
Job ID: 14078584
Description: The specialist role in the FI Quality unit would be responsible for auditing transactions processed by business in the brokerage domain, identifying process defects and identify end customer impact misses.

WNS Global Services Private Limited
Assistant Manager (Financial Research and Retail)
Location: Gurgaon
Job ID: 13928653
Description: Will be responsible for managing and executing syndicated research deliverables to add value to the Client.

o apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



Better Candidates
With Monster's extensive database and advanced technology, finding the right candidate is easy

- Better Access
- Better Connections
- Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.

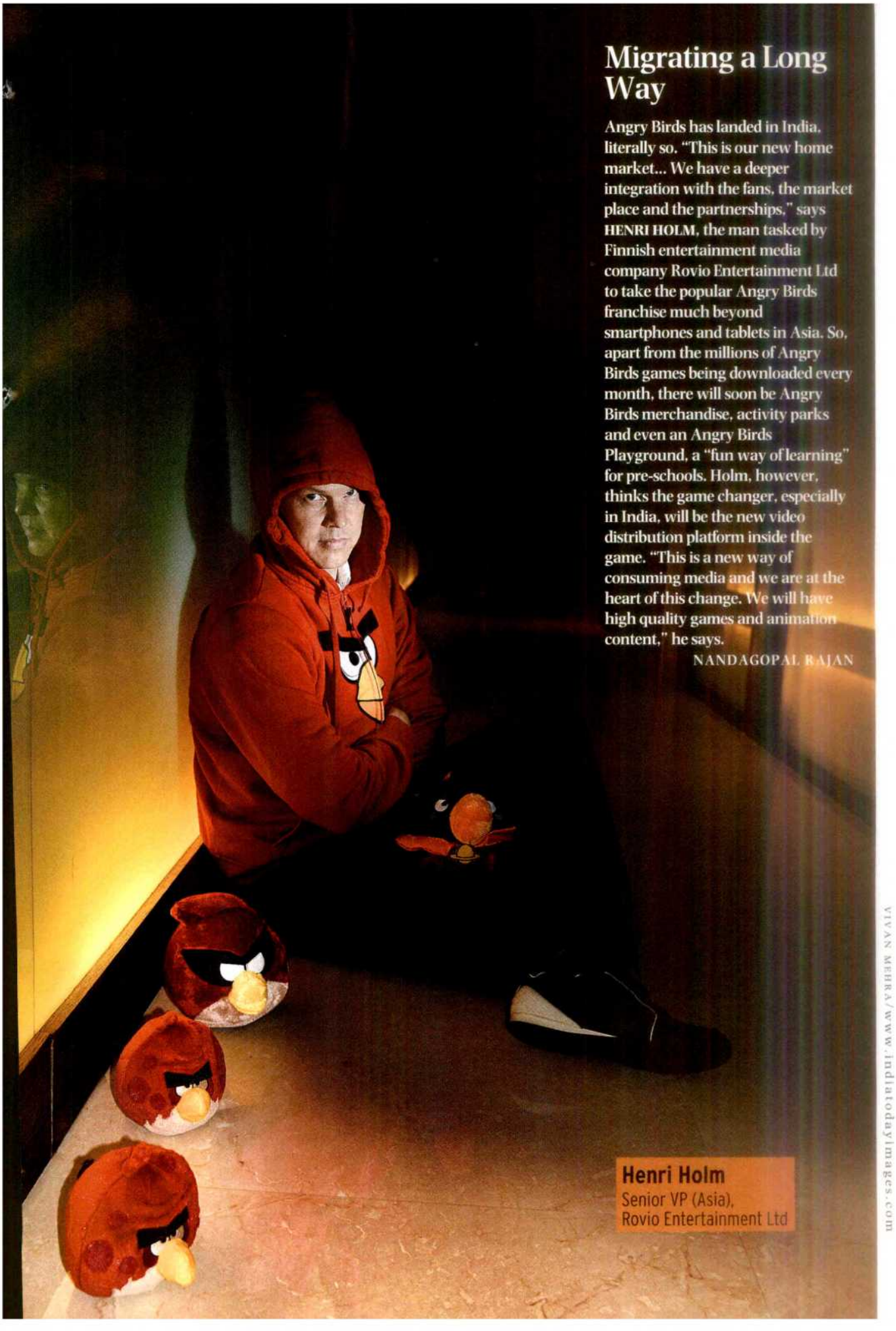
Lakshmi Pratury
Founder, The INK Conference

Good Thinking

LAKSHMI PRATURY is the founder of The INK Conference, a three-day event which brings together thinkers from diverse fields – ranging from social anthropologists to music innovators. This year's conference will be held in Kochi, Kerala, at the end of October. Though the meet focuses on integrating youth, there is no age barrier for participants. It also highlights new skills and innovation. INK began after Pratury brought TED (Technology, Entertainment, Design), a New York-based non-profit devoted to "ideas worth spreading", to India in 2009. She realised that such conferences needed to be held in India regularly to tell the country's many stories. "I was working in Intel for many years and learnt how you can use events to change perception," she says. "I wanted to do something that tells the story of India in a very different way." For one so cerebral, she is curiously coy about her age. "How does it matter when the mind is ageless," she asks.

GOUTAM DAS

NILOTPAL BARUAH/www.indiatodayimages.com



Migrating a Long Way

Angry Birds has landed in India, literally so. "This is our new home market... We have a deeper integration with the fans, the market place and the partnerships," says **HENRI HOLM**, the man tasked by Finnish entertainment media company Rovio Entertainment Ltd to take the popular Angry Birds franchise much beyond smartphones and tablets in Asia. So, apart from the millions of Angry Birds games being downloaded every month, there will soon be Angry Birds merchandise, activity parks and even an Angry Birds Playground, a "fun way of learning" for pre-schools. Holm, however, thinks the game changer, especially in India, will be the new video distribution platform inside the game. "This is a new way of consuming media and we are at the heart of this change. We will have high quality games and animation content," he says.

NANDAGOPAL RAJAN

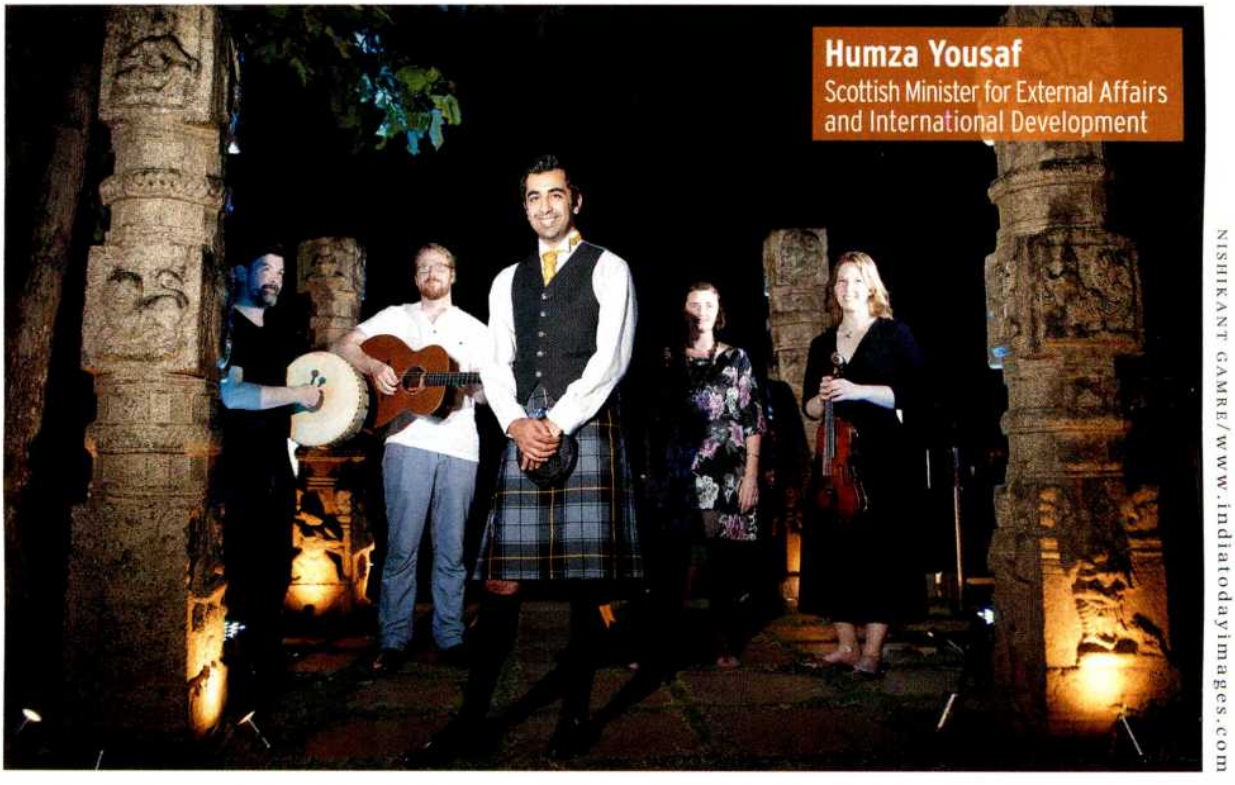
Henri Holm
Senior VP (Asia),
Rovio Entertainment Ltd

VIVAN MEHRA/www.indiatodayimages.com

India-blended Scot

At 28, **HUMZA YOUSAF**, is already Minister for External Affairs and International Development, Scotland, and keen to strengthen the relations between Scotland and India, especially in the areas of education, innovation and renewable energy. A member of the Scottish National Party, he paid his maiden visit to this country, the land of his ancestors, recently, where he facilitated the signing of a number of agreements between India and Scotland. In his free time Yousaf listens to anything and everything that sounds good, be it the Grammy-winning British band Coldplay or traditional Scottish Gaelic music.

ARPITA MUKHERJEE



Humza Yousaf
Scottish Minister for External Affairs and International Development

NISHIKANT GAMRE/www.indiatodayimages.com

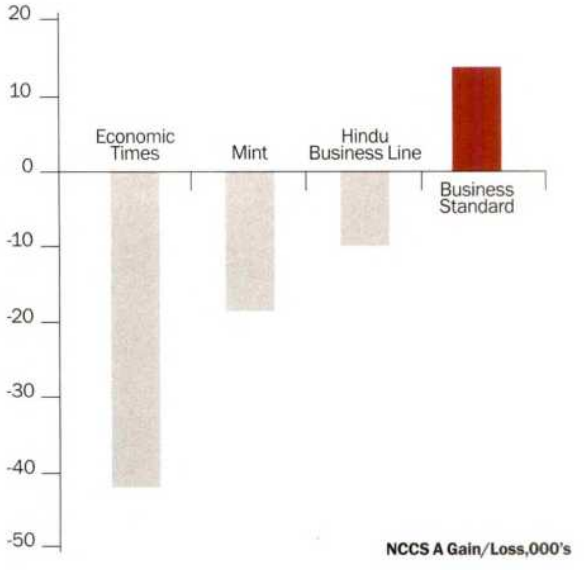
Apurv Bagri
MD, Metdist Group

RACHIT GOSWAMI

Global Indian Comes Home

A taxi driver in China once told **APURV BAGRI**: "We Chinese work a lot harder than you Indians. But, you are a lot smarter than we are." Bagri, Managing Director of Metdist Group, the London-based metals trading company founded by his father Lord Raj Kumar Bagri, agrees. Metdist is now looking at investing in India, seeking acquisitions and diversification. Bagri, who still holds an Indian passport and visits India frequently as a "travelling Indian", is upbeat about the country's growth prospects. He says India is on the cusp of economic opportunity in terms of human capital. "By 2015/16, India will surpass China in terms of the largest number of working people. And, over the next decade, between 15 to 20 million young Indians will enter the workforce," he says, adding that the biggest challenge is to use that opportunity well.

ARPITA MUKHERJEE



Content is king.

Business Standard gets more readership with more quality time.

Business Standard's insightful analysis continues to retain old readers and draw new ones, even during recessionary times. talk to a quality audience of affluent, educated, informed and brand-loyal-readers through our pages.

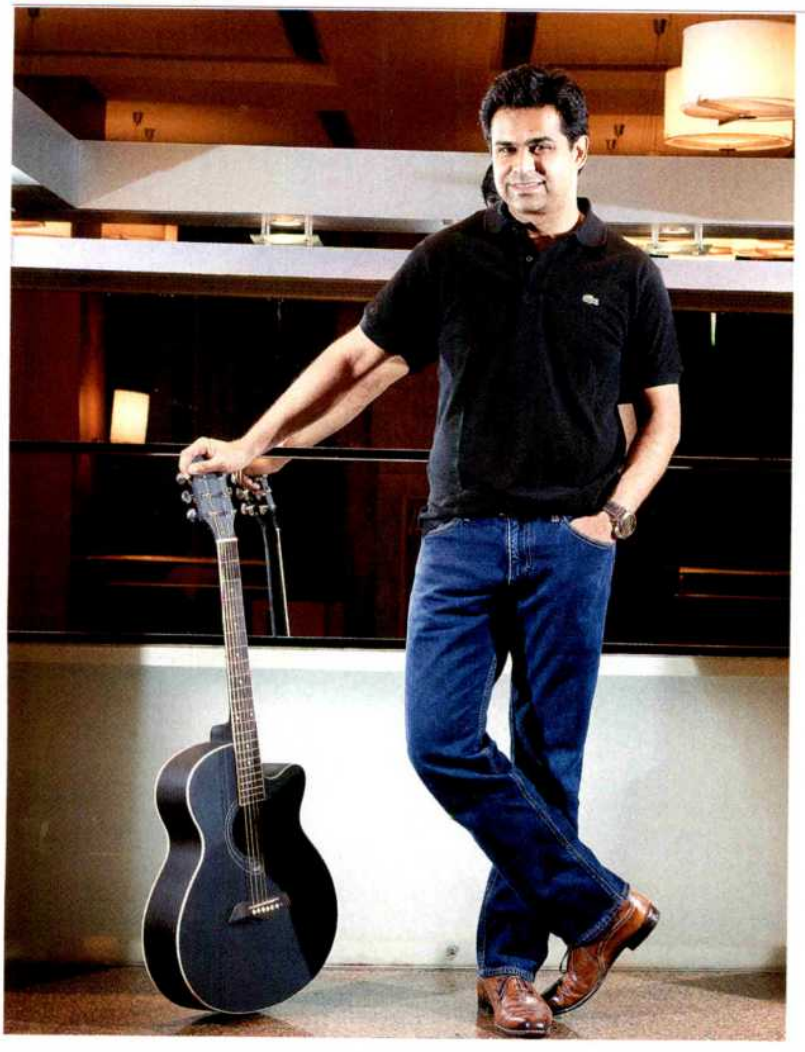
- Business Standard is the only English business daily that grew in the last quarter. While ET declined by 18,000 and Mint by 2000, Business Standard grew by 13,000.
- 45% of Business Standard readers do not read any other English newspaper, compared to only 28% for ET and 14% for Mint.
- 71% of Business Standard readers spend 20 minutes or more, reading the newspaper. Less than 61% of ET and Mint readers do the same.

Business Standard

Know More. No Less.

To advertise, e-mail us at: advertise@bsmail.in
Log on to www.business-standard.com

Source - IRS Q4 2012



RACHIT GOSWAMI/www.indiatodayimages.com

Faisal Husain
Founder/Global CEO, Synechron

In Sync

FAISAL HUSAIN, along with comrades-in-arms Tanveer Saulat and Zia Bhutta, has spent the last 14 years building Pune-based IT firm Synechron a base in the US. From a consulting start-up it is now a $200-million-plus firm, employing over 4,500 people. So, what keeps bringing him back to India? "We are seeing more and more top managers asking for help on very specific management issues," says Faisal, who counts Edelweiss among his clients in India. Synechron, in fact, acquired the Amsterdam/Singapore-based Double Effect back in April to bring together management and technology consulting for financial firms. Apart from his work Husain, 39, loves Bollywood music – indeed, he first picked up the guitar because he wanted to play the hit song *Jadoo Teri Nazar* from the film *Darr*.

SUPROTIP GHOSH

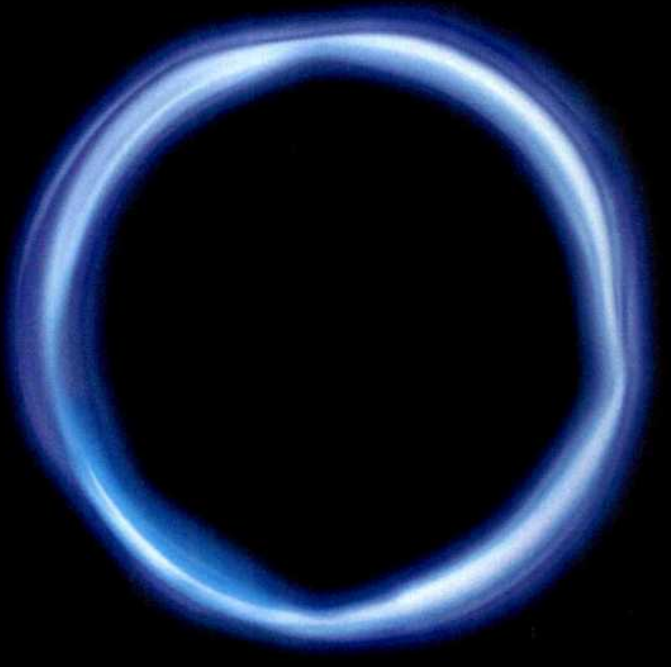
Krish Ramakrishnan
Co-Founder/CEO, Blue Jeans Network

Video Conference Virtuoso

Two of **KRISH RAMAKRISHNAN**'s earlier ventures were acquired by US multinational Cisco Systems. But with the third, he could well give the behemoth a run for its money. Co-founded in 2009, Blue Jeans Network first made waves when it was able to raise $23 million in two rounds, getting the backing of venture capital firms such as Accel Partners, Norwest Venture Partners and New Enterprise Associates. The company's name is intended to signify that the service it provides is versatile, hard-working and functional – just as a pair of denims are. Today, Blue Jeans manages over half the 200 million minutes of video conferencing the world does every year. "We solved the lack of interoperability, brought in ease-of-use and opened up video conferencing beyond internal systems," said Ramakrishnan in a video conferencing hosted from Silicon Valley over his network.

NANDAGOPAL RAJAN

INDIA'S BRIGHTEST YOUNG MINDS ARE
STRIVING FOR SHUNYA.
AND WE COULDN'T BE MORE EXCITED.



Watch Challenge for Zero.
Premieres 12th Oct. on ET NOW.

DuPont and ET NOW present The Power of Shunya: Challenge for Zero, a weekly competition series highlighting 48 solution-driven, young men and women who are harnessing science in innovative ways to confront our nation's greatest challenges. Together, we will bring the concept of Shunya back to its origins–back to India.

Tune in, Saturday - 6.30 pm, Sunday -11.30 am & 6.00 pm

owerofShunya.com

ET NOW™

Presented by
DUPONT

YOGESH MALIK
CEO, Uninor

My first role model
Robert Menard, my immediate manager at TIW in Montreal, Canada. He emphasised the importance of compassion while pushing for results

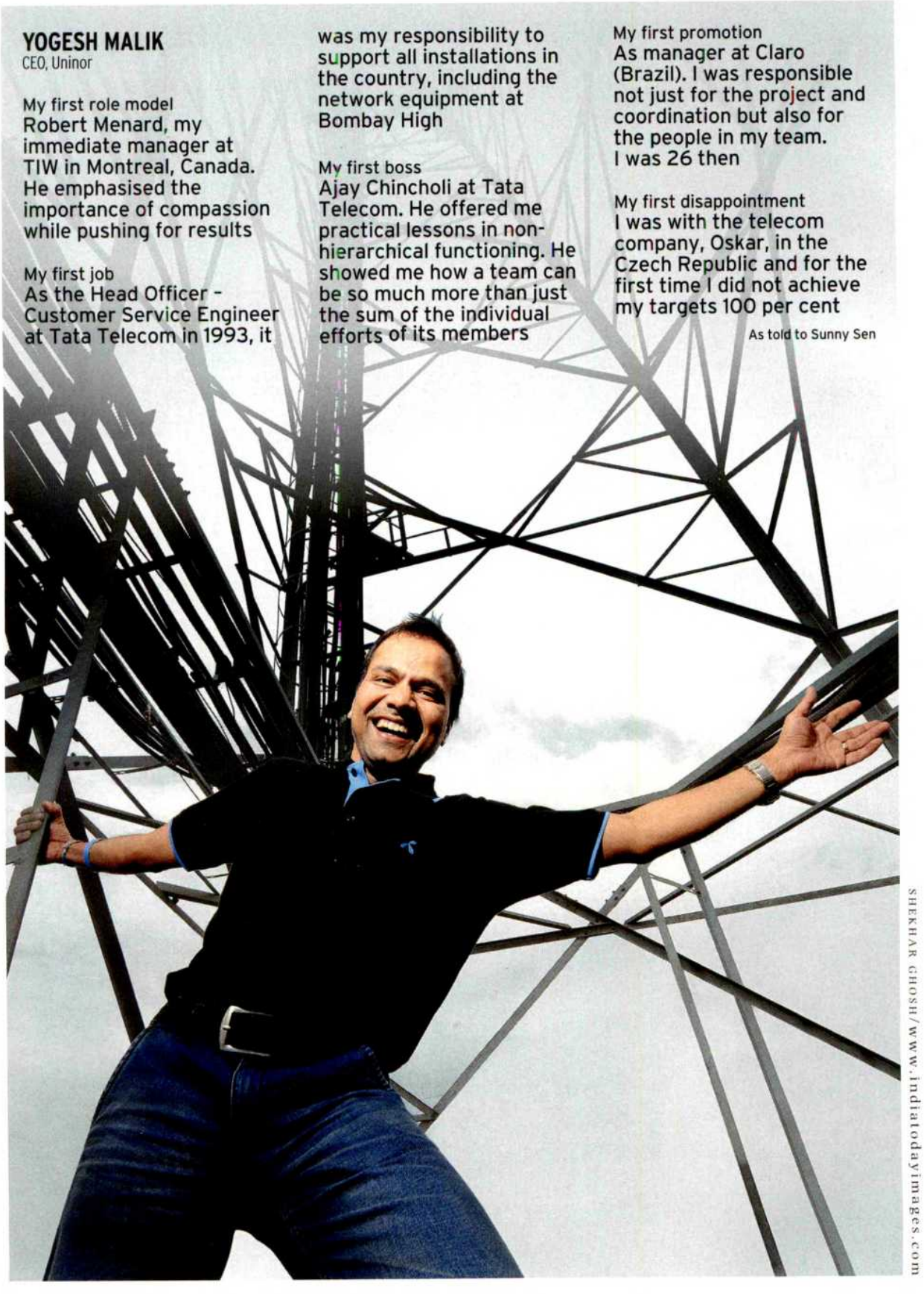
My first job
As the Head Officer - Customer Service Engineer at Tata Telecom in 1993, it was my responsibility to support all installations in the country, including the network equipment at Bombay High

My first boss
Ajay Chincholi at Tata Telecom. He offered me practical lessons in non-hierarchical functioning. He showed me how a team can be so much more than just the sum of the individual efforts of its members

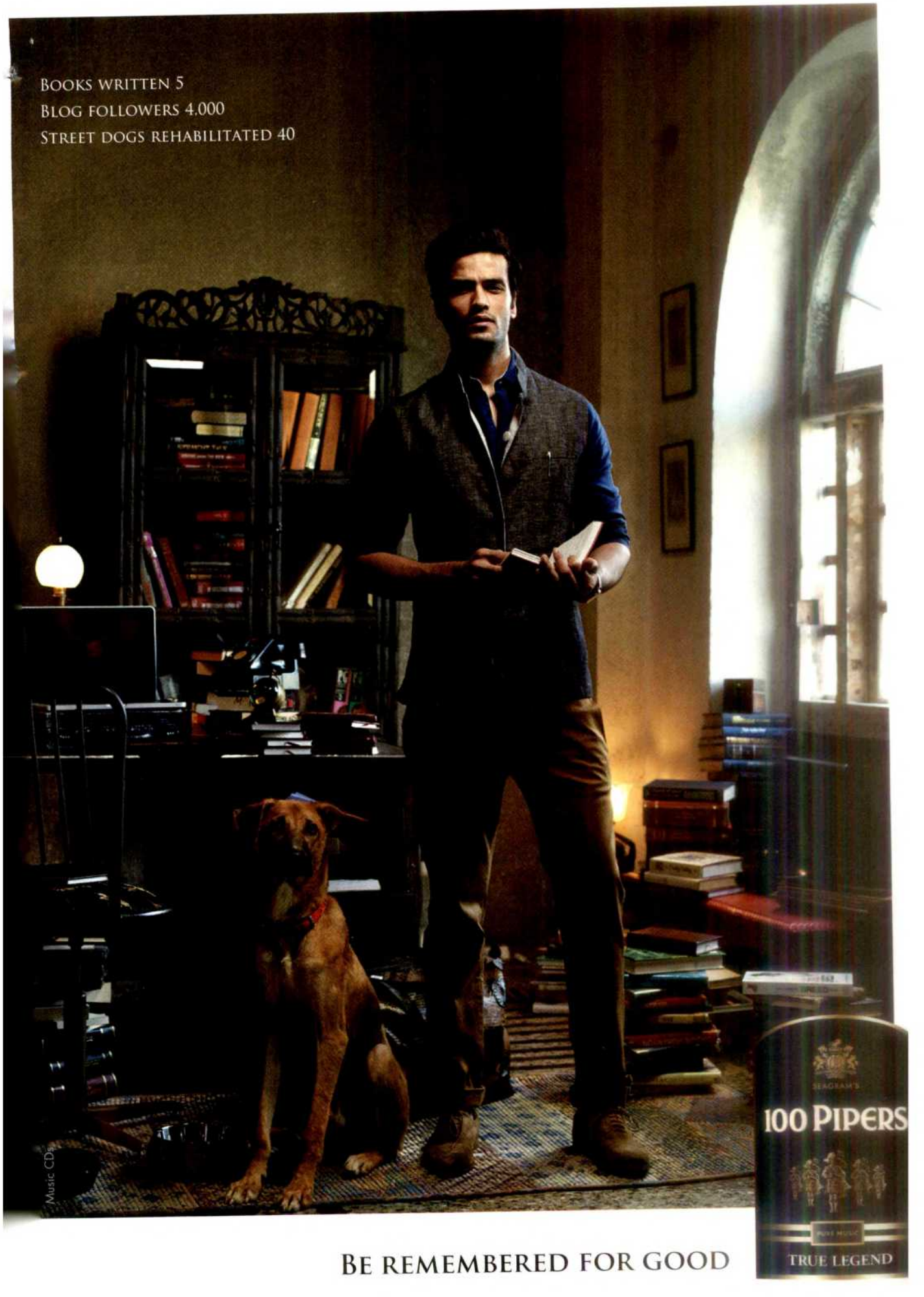
My first promotion
As manager at Claro (Brazil). I was responsible not just for the project and coordination but also for the people in my team. I was 26 then

My first disappointment
I was with the telecom company, Oskar, in the Czech Republic and for the first time I did not achieve my targets 100 per cent

As told to Sunny Sen



SHEKHAR GHOSH/WWW.INDIATODAYIMAGES.COM



BE REMEMBERED FOR GOOD

11

THE WATCH THAT DEFIES THE ELEMENTS.
THE WATCH DESIGNED TO DISMANTLE RECORDS.
THE WATCH THAT WAS BORN TO RACE.

CALCUTTA UNIVERSITY
CENTRAL LIBRARY

OYSTER PERPETUAL COSMOGRAPH DAYTONA
IN PLATINUM

F1 Formula 1 OFFICIAL TIMEPIECE

ROLEX

THE F1 FORMULA 1 LOGO IS A TRADEMARK OF FORMULA ONE LICENSING BV, A FORMULA ONE GROUP COMPANY.

Available on the App Store

DISCOVER THE STORY BEHIND THE COSMOGRAPH DAYTONA ON THE ROLEX DAYTONA APP FOR IPAD

ROLEX WATCH CO. PRIVATE LTD. • WWW.ROLEX.COM

DIGITAL MEDIA: THE FIFTH E-STATE 34

AVIATION: FIVE REASONS FOR HOPE 42

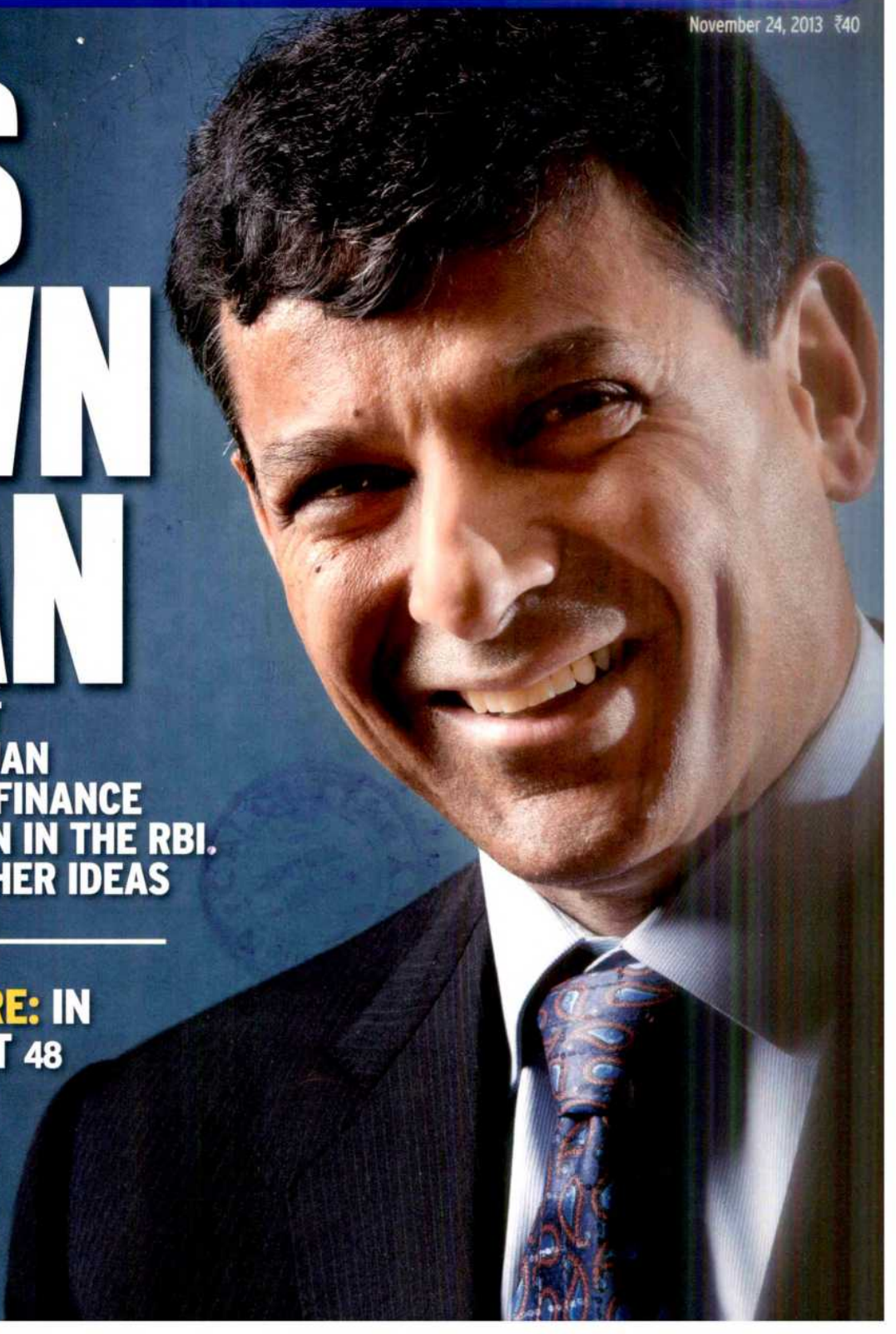
BANIAS: THEY RULE E-COMMERCE TOO 84

business today
for managing tomorrow

www.businesstoday.in

November 24, 2013 ₹40

HIS OWN MAN



MANY THOUGHT RAGHURAM RAJAN WOULD BE THE FINANCE MINISTRY'S MAN IN THE RBI. BUT HE HAS OTHER IDEAS

INDIA'S FUTURE: IN GOD WE TRUST 48

INDIA TODAY GROUP

AHMEDABAD, LUXURY TIME - 079 2646 9797 • **BENGALURU**, ETHOS SUMMIT ROLEX BOUTIQUE - 080 2211 3976 • **CHANDIGARH**, TALWAR JEWELLERY HOUSE - 017 2270 5151 • **CHANDIGARH**, TALWAR WATCH CO. - +91 172 4028500 • **CHENNAI**, THE HELVETICA ROLEX BOUTIQUE - 072 9991 1158 • **CHENNAI**, THE HELVETICA - 044 2846 4096 • **COCHIN**, SWISS WATCH BOUTIQUE PRIVATE LIMITED - 91420 91420 • **COIMBATORE**, ZIMSON - 0422-4371234 • **GURGAON**, KAPOOR WATCH CO. - 012 4466 5500 • **HYDERABAD**, MEENA JEWELLERS - 040 6746 7760 • **KOLKATA**, EXCLUSIVE LINES ROLEX BOUTIQUE - 033 2282 5245 • **KOLKATA**, EXCLUSIVE LINES - 033 2290 4116 • **PUNE**, CT PUNDOLE & SONS - 091 7350 003250 & 020 2634 3685 • **MUMBAI**, DIA - 022 2204 2299 • **MUMBAI**, MARCKS & CO. ROLEX BOUTIQUE - 022 2267 6412 • **MUMBAI**, SWISS PARADISE ROLEX BOUTIQUE - 022 2833 9991 • **MUMBAI**, TIME AVENUE ROLEX BOUTIQUE - 022 2651 5757 • **MUMBAI**, TIME WATCH MAKERS ROLEX BOUTIQUE - 022 2412 1411 • **NEW DELHI**, COOKE & KELVEY - 011 2331 4095 • **NEW DELHI**, KAPOOR WATCH CO. ROLEX BOUTIQUE - 011 4676 7777 • **NEW DELHI**, KAPOOR N CO. ROLEX BOUTIQUE - 011 4699 0000 • **NEW DELHI**, KAPOOR WATCH CO. - 011 4134 5678 & 011 4653 6667 • **NEW DELHI**, ETHOS SUMMIT - 011 4058 8700 • **ROLEX WATCH CO.PVT LTD MUMBAI** - 022 6625 3600 • **WWW.ROLEX.COM**

Circl
07/11/13

OYSTER PERPETUAL GMT-MASTER II

ROLEX

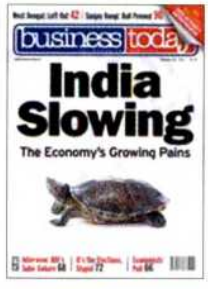
From the Editor

When I stepped into this role in mid-2010, it seemed India was unstoppable. Gross Domestic Product growth had averaged 8.5 per cent since 2004, when the United Progressive Alliance won power. The financial markets in the United States and Europe were in disarray after the US sub-prime crisis laid down a napalm attack that wiped out hundreds of billions of dollars in savings and brought the banking system to its knees. India, however, was immune. One year after the UPA won a comfortable second term, India seemed immutable.

The same year, Raghuram Rajan published his unswerving look at 'How Hidden Fractures Still Threaten The World Economy'. In the introduction to *Fault Lines*, he wrote about the run-up to the meltdown: "Critics were often written off as Cassandras or 'permabears': predict a downturn long enough, the thinking went, and you would eventually be proved right, much as a broken clock is correct twice a day." Rajan was famous as the economist who had predicted the Great Recession. Three years later, he is the Governor of the Reserve Bank of India, staring at a dysfunctional Indian economy that turned in growth of just 4.4 per cent in the April-June quarter. Rates have been raised twice as he stands, somewhat like the mythical Dutch boy who stands with his finger in the dike, between his townspeople and the terrifying seawater beyond. Senior Editor Anand Adhikari writes about this grim struggle in our cover story.

Can our brilliant economists and managers not draw a clear map out of the swamp of project gridlock, investment paralysis, corruption and crony capitalism? Scenarios abound, but if we do not carry out drastic second-generation reforms we will be condemned, like Trishanku, to languish in a make-believe paradise of low- to middle-income mediocrity. Read my analysis of what needs to be done from page 48.

Over the past three and one-third years, we at *Business Today* have put down several markers in our quest to spot trends and see around corners. We captured fascinating stories about Gen Y's unself-conscious invasion of corporate India (Sept 19, 2010), and *The Economist* took note of us. We wrote feelingly about sexual harassment in the workplace (Oct 17, 2010). Our Feb 20, 2011 cover India Slowing seemed counter-intuitive as Indian CEOs partied in Davos at the World Economic Forum, but we were spot on: the slide had begun. The dismal corkscrew descent was forecast in several subsequent issues. We analysed India's skilling crisis dispassionately (April 3, 2011 and then again March 31, 2013). *BT* has chronicled the scams (May 26, 2013 and Sept 2, 2012) as well as the good-news stories on start-ups (Feb 3, 2013 and Sept 30, 2012). And let's not forget our stunningly prescient *Missing Murthy* cover (Feb 17, 2013) which foretold the dramatic goings-on at Infosys four months later.



Several path-breaking things have happened as *Business Today* added about 100,000 readers, rose to among the country's top ten English magazines, and won a few journalism awards. 'Adding value' has become a life-and-death priority for us. From being a respected fortnightly, we are now a highly respected 'daily' with our writers whipping out perspective and reportage 24x7. Our website has become a go-to destination for personal technology, finance, business and economy news. In October www.businesstoday.in drew 3.3 million unique page-views and 1.95 million unique visitors. We are ready and raring to go forth into the wild digital yonder.

Our quarterly Business Confidence Index, launched in May 2011, has become a bellwether indicator of how Indian companies view the future. We have also been true to our "for managing tomorrow" credo by publishing a great series of case studies, both our own as well as by the London Business School. More recently we launched a monthly B-school Debate that promises to be a magnet for management students. And over the past five months, as testament to our reputation and cachet, more than 60 of India's top CEOs have gathered with us at exclusive breakfasts and lunches in Delhi, Bangalore, Hyderabad, Mumbai and Chennai to debate important issues.

Throughout all this, *Business Today* has striven to be a sober, sane and ethical voice, to be heard quietly amid the bedlam, and to offer you true insight, which I define as "connecting the dots you cannot even see". As I set off to explore new horizons, I hope we at *BT* have also **not** been true to T.S. Eliot's words in *The Love Song of J. Alfred Prufrock:*

> No! I am not Prince Hamlet, nor was meant to be;
> Am an attendant lord, one that will do
> To swell a progress, start a scene or two,
> Advise the prince; no doubt, an easy tool,
> Deferential, glad to be of use,
> Politic, cautious, and meticulous;
> Full of high sentence, but a bit obtuse;
> At times, indeed, almost ridiculous –
> Almost, at times, the Fool.

Chaitanya Kalbag

chaitanya.kalbag@gmail.com, @chaitanyakalbag
www.businesstoday.in/editor

Any which way you look at it, Blu is your Forever Home

Located in the most prestigious part of South Mumbai, the iconic Blu makes for a proven and fabulous investment. However, the real reason you will live in Blu is because it has more than everything to be your World-Class Forever Home.

- Construction by Shapoorji Pallonji
- Plans approved by BMC
- Environment clearance received • No Public Parking FSI
- New DCR • Construction in full swing

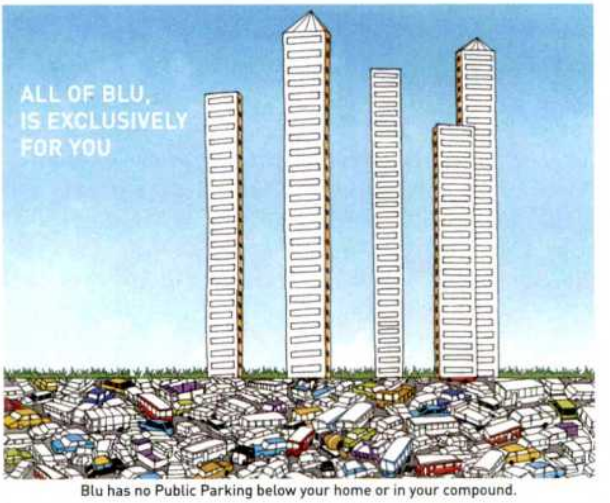
Super Luxury Residential Complex in One Indiabulls Worli

Blu

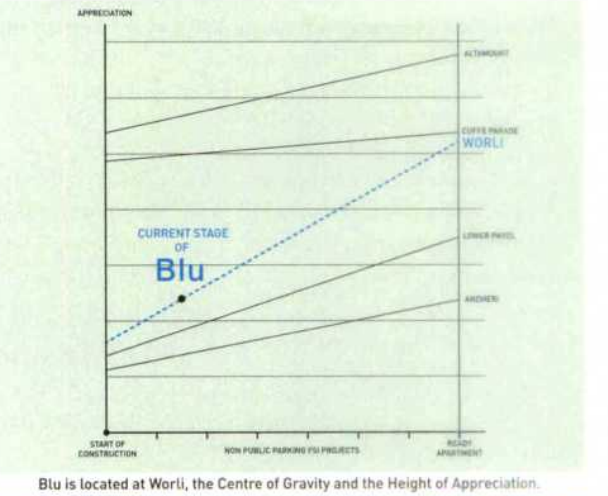
A home like no other

Blu offers you 40 Amenities. All 40 of them true. All 40 of them unique.

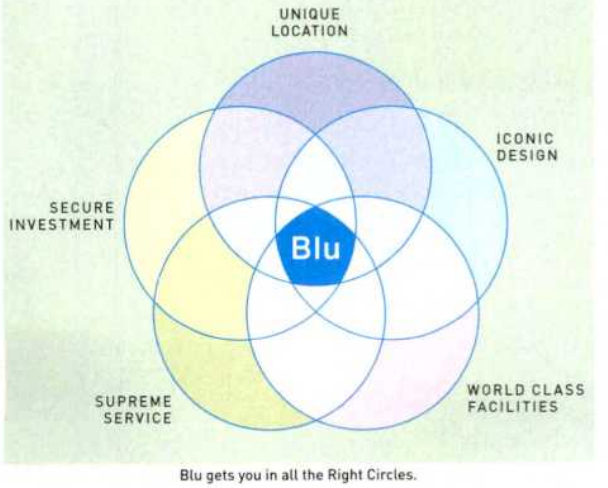
Blu offers you 10 acres of Open Spaces with just 33 homes to an acre.



Blu has no Public Parking below your home or in your compound.



Blu is located at Worli, the Centre of Gravity and the Height of Appreciation.



Blu gets you in all the Right Circles.

Blu has More Trees, Open Spaces, Play Areas, and Amenities/Acre in the vast 10 Acre plot.

Contact us on 022 - 618 99999 for an appointment. Or, visit the Sales Lounge at One Indiabulls Worli, 132, Worli Circle, Mumbai.

*Conditions apply. The information and material contained in this advertisement are for reference only and the same are subject to change without notice. INDIABULLS makes no representation, guarantee or warranty of any kind, express, implied or otherwise, with regard

Wealth Creators or Destroyers?

It was shocking to see the list of 1,000 "most valuable" companies of the country in *BT* (November 10). Bankers like myself across the country must be grinding their teeth with fury to see defaulters and companies with suspect accounting numbers and dubious reputations making the list. It was unbelievable seeing several "wealth destroyers" making this list. These companies have defaulted various financial institutions of thousands of crores. It is the nation's wealth that is being misused by these shady companies and their promoters.

Jai Ahluwalia, *Mumbai*

Your comments are appreciated. But the rationale behind our ranking is to let the markets decide on value. All these "dubious" companies continue to trade on our premier stock exchanges. We capture the average market cap of six months – our ranking is based on hard data. We cannot bring subjectivity into the ranking by filtering out defaulters. There is no credible methodology that can be applied to do so. - **Editor**

Commendable Effort

The Herculean effort put into bringing out *India's Most Valuable Companies* (November 10) was commendable. These companies are assets of the nation. We are proud of TCS for having come to the top "bigger than before", widening the revenue gap with its nearest rival, Reliance Industries. Being one of the largest employer in the IT sector globally, TCS gives us much hope. Also, Indian companies get a better image. *Business Today*'s contribution in this regard is exemplary.

Jacob Sahayam, *Thiruvananthapuram*

Admirable Job

We highly appreciate the ranking of B-schools announced by *Business Today* (October 27). Your willingness to go beyond perceptual rankings, and the effort and time put in by your team to consolidate, verify the data and arrive at the ranking is commendable.

Chowdari Prasad
Dean (Public Relations), *TAPMI*

Disheartening

This refers to the article *Master's in Bharat Administration* (October 27). Agriculture is an aspect of development but we cannot say that agriculture marketing is rural development. You do not mention the institutes which are providing their contribution for development of rural areas since decades like IIFM, NIRD, TISS, XISS, and XIMB, etc, who run a full-fledged two-year course on rural management and development.

Anil R. Sinha, *on e-mail*

Correction

The box accompanying the story *B-school Interlude* (October 27, Page 86) incorrectly says the full form of the term GMP, the name of a course offered at XLRI, Jamshedpur is 'Global Management Programme'. It should have been 'General Management Programme'. We regret the error.

Send all your comments to editor.bt@intoday.com

www.facebook.com/BusinessToday

Kirit Parikh panel recommends hike in prices of diesel (₹5), kerosene (₹4), and LPG cylinder (₹250).
By hiking diesel price, the government wants to prohibit rapes in buses and cars.
- **Shubham Chatterjee**

"Coalition" within industries gets a thumbs-up at *Business Today*'s CEO lunch meet.
Pay people more money. The more money people have the more they spend, because no one shows them how to save.
- **Spencer D. Williams**

FIR against Vijay Mallya, Kingfisher Airlines for non-payment of airport fees.
It's right time for this company to go to hell. - **Nithin J. Samuel**

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, India Today Mediaplex, FC-8, Sector 16/A, Film City, Noida-201301.
Email: letters.bt@intoday.com/editor.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no. 1800 1800 100 (from BSNL/ MTNL lines); Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

BT SCRAPBOOK
- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in

DESIRE OF INDIA

HIGHLY DESIRED.
PROUDLY POSSESSED.

MARUTI SUZUKI
Way of Life!

Drive home India's largest selling sedan.

- More than 6 lakh satisfied customers
- Best in class interiors
- Loaded with features for an enjoyable drive
- India's most successful diesel engine for the last 5 years

SWIFT DZIRE
THE HEART CAR

Find us on Facebook | twitter To test drive, call toll free 1800 1800 180 or 1800 102 1800. To know more, log on to www.marutidzire.com or visit your nearest Maruti Suzuki dealer today. Accessories shown are not part of standard equipment. Car colour may vary from actual body colour due to printing on paper. Specifications may vary from variant.

MARUTI SUZUKI URGES YOU TO DRIVE SAFELY

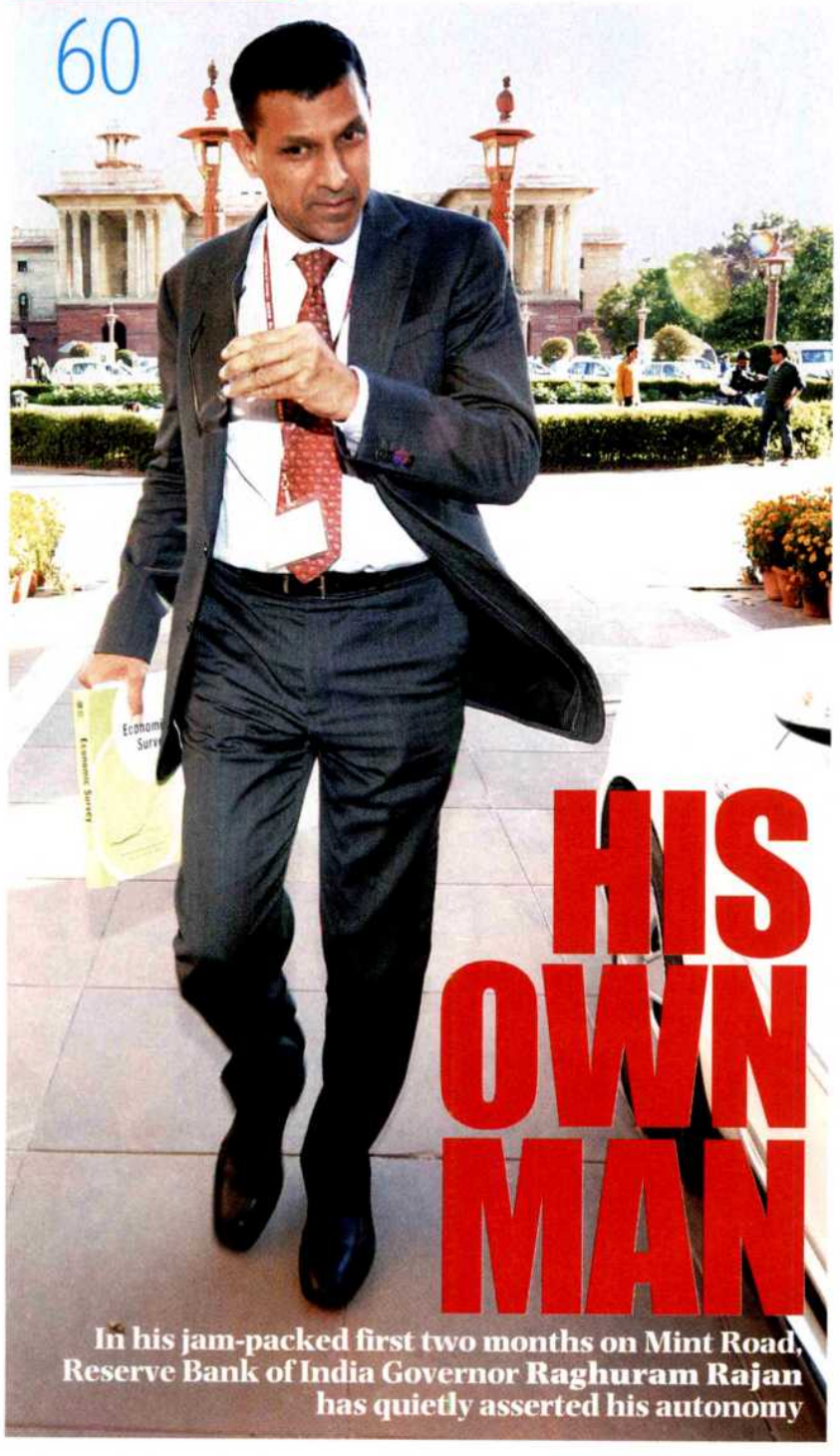
CONTENTS

COVER BY ANAND SINHA
PHOTOGRAPH BY RACHIT GOSWAMI

NOVEMBER/24/2013
VOLUME 22/NUMBER 24

COVER STORY

60



HIS OWN MAN

In his jam-packed first two months on Mint Road, Reserve Bank of India Governor Raghuram Rajan has quietly asserted his autonomy

UPFRONT

12 | Quick takes on major events

FOCUS

14

14 | On the Mend
The September quarter results of IT companies suggest their bad times may be ending

16

16 | The Curious Case of Falling Phone Talk
Why do Indians talk less on the phone during the July-September quarter? Ask the farmers

20 | Milking Votes
Why 14 of the 17-member unions of the Gujarat Cooperative Milk Marketing Federation, which owns the Amul brand, want to oust Chairman Vipul Chaudhary

26

26 | Graphiti on Sachin Tendulkar

FEATURES

34

34 | The Fifth E-State
Digital media is changing the way political parties interact with voters. Can it make a difference in next year's general elections?

42 | Five Reasons for Hope
Why the beleaguered Indian aviation industry may get a breather from 2014

48

48 | Fireflies Caught in a Logjam
Without second-generation reforms and a drastic overhaul of its institutions, India is condemned to mediocre income and growth

56 | B-school Debate
"India hostile to foreign investors"

57 | Changing Lanes
Among NBFCs, vehicle financiers are now the new favourites of PE firms, displacing gold loan entities

70 | The Reinvention of Vineet Nayar
The former CEO of HCL Tech morphs into a development guru

ONLINE

No Strings Attached
RBI Governor **Raghuram Rajan** is nobody's puppet, least of all that of the finance ministry which appointed him.
businesstoday.in/rajan-rbi

"You should ask what the inflation rate would have been if the RBI had not raised rates"
Raghuram Rajan tells magazine reporters.
businesstoday.in/rbirajan-interview

iPhone 5S Launch in India
Reactions as the latest version reaches India more than a month after its launch in the US.
businesstoday.in/iPhone5S

Waiting for Billion-dollar Product Babies
Detailed coverage of NASSCOM's annual product conclave plus exclusive slideshow.
businesstoday.in/nasscom-conclave

Boeing Going Ahead
Despite the sorry state of Indian aviation, Boeing will not reduce its estimate of aircraft needed for the Indian market.
businesstoday.in/boeing-india

Festival Crush
How the Delhi division of the Railways manages the vast crowds that travel during *Chhath Puja*.
businesstoday.in/railways-chhath

PERSPECTIVE

Lost Interest
The latest repo rate hike by the RBI will dampen real estate demand further, says **Manu Kaushik.**
businesstoday.in/realty-ratehike

Market Rally Not Broad-based
The Sensex is close to its highest ever mark, but that is no reason to rejoice, says **Mahesh Nayak.**
businesstoday.in/sensex-rally

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie
Group Chief Executive Officer: Ashish Bagga
Group Synergy and Creative Officer: Kalli Purie

Editor: Chaitanya Kalbag
Managing Editor: Josey Puliyenthuruthel
Executive Editor: Suveen K. Sinha
Deputy Editors: Debashish Mukerji, K. Sai Srinivas, Alokesh Bhattacharyya

CORRESPONDENTS
Senior Editors: Anand Adhikari, N. Madhavan, Shamni Pande
Senior Associate Editors: Mahesh Nayak, Goutam Das
Associate Editors: K.R. Balasubramanyam, Shweta Punj, E. Kumar Sharma, Ajita Shashidhar, Suprotip Ghosh, Nandagopal Rajan, Manisha Singhal, Sunny Sen
Assistant Editors: Manu Kaushik, Nidhi Singal, Taslima Khan
Special Correspondents: Anilesh Mahajan, Sarika Malhotra, Ajay Modi, Arpita Mukherjee
Principal Correspondent: Arunima Mishra
Trainee: Kaavya Chandrasekaran

COPY DESK
Senior Editors: Uma Asher, Rishi Joshi, Sumit Upadhyaya
Senior Associate Editor: Sugita Katyal
Chief Copy Editors: Gadadhar Padhy, Roopali Joshi
Copy Editor: Basudha Das

PHOTO DEPARTMENT
Photo Editor: Vivan Mehra
Deputy Chief Photographer: Shekhar Ghosh
Principal Photographer: Rachit Goswami
Senior Photographers: Aditya Kapoor, Nilotpal Baruah
Photographer: Nishikant Gamre
Photo Researcher: Palak Neb

ART DEPARTMENT
Art Editor: Safia Zahid
Deputy Art Director: Anand Sinha
Assistant Art Directors: Anita Jaisinghani, Amit Sharma, Santosh Kushwaha
Senior Visualisers: Vikas Gupta, N. Ravishankar Reddy, Raj Verma

PRODUCTION DEPARTMENT
Chief of Production: Harish Aggarwal
Production Coordinators: Narendra Singh, Rajesh Verma
Senior Supervisor: Rajkumar Wahi
Senior DTP Designer: Mohammed Shahid

RESEARCH DEPARTMENT
Librarian: Vijaylakshmi Vardan
Assistant Librarian: Satbir Singh
Senior Research Associates: Jyotindra Dubey, Niti Kiran

Group Business Head: Manoj Sharma
Associate Publisher (Impact): Anil Fernandes

IMPACT TEAM
Senior General Managers: Kaustav Chatterjee (East), Jitendra Lad (West), Head (North); Subhashis Roy
General Managers: Shallender Nehru (Bangalore), Velu Balasubramaniam (Chennai)

Marketing: Vipul Hoon, General Manager; Vibha Arora, Brand Manager

Head-Consumer Services: Poonam Sangha, Senior General Manager

Newsstand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Manish Shrivastava, Senior Manager (North); Joydeep Roy, Senior Manager (East); Rajesh Menon, General Manager (West); Deepak Bhatt, General Manager (South); Rakesh Sharma, General Manager (Operations)

INDIA TODAY GROUP

Vol. 22, No. 24, for the fortnight November 11-24, 2013. Released on November 11, 2013.

• Editorial Office: India Today Mediaplex, FC 8, Sector 16A, Film City, Noida-201301; Tel.: 0120-4807100; Fax: 0120-4807150 • Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001; Tel.: 0124-4948400; Fax: 0124-4030999; Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013; Tel.: 022-66063355; Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018; Tel.: 044-28478525; Fax: 044-24369142; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22821922; Fax: 033-22827254; Hyderabad: 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; Kochi: Karakkatt Road, Kochi-682016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-3709621 • Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India; Toll free no:1800 1800 100 (from BSNL/ MTNL lines); Fax: 0120-4078080; E-mail: wecarebg@intoday.com
• Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664
© 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001.

• *Business Today* does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

SYNDICATIONS TODAY

For reprint rights and syndication enquiries, contact syndications@intoday.com or call +91-120-4078000

www.syndicationstoday.in

CONTENTS

74

FEATURES

74 | V-sign for Video
Data use, driven by video downloads, is raising revenues of telecom operators, but infrastructure still lags

80 | *HBR* Panel Discussion: "In Innovation, Uncertainty Is Your Friend"

84 | The More Things Change
Commerce continues to be dominated by 'B' even as it goes 'e'

92

92 | Liquid Gains
Rapid urbanisation and dwindling fresh water reserves have given a big fillip to the water treatment business in India

98 | It's all about Governance
A responsive government is crucial for efficient Infrastructure, say CEOs at *BT*'s power breakfast in Chennai

102

102 | LBS Case Study: Spotify - Playing the Social Tune

LBNL

108 | Indian Marvel
A trio of comic-crazy Indian-American entrepreneurs seeks to put Indian superheroes on the global map

RIGHT CLICK
115 | Keeping Big Brother at Bay
Your employer can monitor your online activities at work. Here's how to stay clean

BOOKEND
116 | Updated Media Bible
The fourth edition of this comprehensive work includes a fresh chapter on digital media

122 | PEOPLEBUSINESS

LEADERSPEAK
128 | Arvind Thakur
CEO, NIIT Technologies India

Find the Right Job on Page:118-121
Jobs Today
Get Lucky. Get Active on Monster.
• Better Access • Better Connections • Better Jobs
Powered by: monster Find Better.™

An IMPACT Feature

From time to time, you will see pages titled "An Impact Feature" or "Advertorial" in *Business Today*. This is no different from an advertisement and the magazine's editorial staff is not involved in its creation in any way.

LET
US
STAY
WITH
YOU.℠

Let us give you a welcome that is truly royal.

Let us introduce you to a new level of indulgence.

Let us acquaint you with the finest treats the world has to offer.

Let us leave you with memories that are indelible.

THE RITZ-CARLTON®
BANGALORE

©2011 The Ritz-Carlton Hotel Company, L.L.C.

SAATCHI & SAATCHI 2013 M

How many more millions
of lives need we transform,
before we can stop
defining what we stand for?

We are a 54 year old direct-selling company, operating out of more than 100 countries, offering products in the health, beauty and home care categories.

Our contribution of ₹ 2600 crores in taxes over a 15-year presence, and future investments of ₹ 500 crores show our commitment to India.

We sell our products through Amway Business Owners, instead of in stores. In India alone, there are 550,000 hard-working Amway Business Owners in 4,000 towns and across 10,000 pin-codes, covering 90% of the country.

What defines us, are our continued efforts to transform many more millions of lives, not just in India but the world over.

For the truth behind the headlines
go to **www.amway.in**

CUSTOMER SATISFACTION ★ 100% ★ OR MONEY REFUNDED

CELEBRATING 15 YEARS OF SUCCESS

Join us on facebook@ /amwayindiaofficial or follow us on twitter@ /amwayindia.

Amway™

PANKAJ NANGIA

Saluting the Stars: India is saluting two great sports stars for their superlative performance. One, of course, is Sachin Tendulkar who is set to retire in style in front of a home crowd soon. Indian fans had occasion to cheer Sebastian Vettel (centre) who roared into history as Formula One's youngest four-time champion in superlative style as he dominated the Indian Grand Prix recently.

Corporate

Reliance Industries is set to relinquish 80 per cent of its Krishna-Godavari gas block, including five discoveries, as the energy major has not adhered to timelines for developing the area. The relinquished area will be auctioned in subsequent licensing rounds. The relinquished area does not contain any producing fields. Natural gas from the KG-D6 block, in which British oil major BP has a 30 per cent stake, has declined to 14 million cubic metres per day from 60 mmscmd at the end of 2010.

Two of India's top five real estate companies, **DLF** and **Oberoi Realty**, reported a drop in profits in the September quarter due to declining home buyer and corporate interest.

British telecom giant Vodafone Plc has sought the approval of Foreign Investment Promotion Board to increase its stake in Vodafone India to 100 per cent. It will buy out minority partners for ₹10,141 crore and raise its stake from the current 64.4 per cent.

Infosys has agreed to pay a penalty of $34 million to the United States government for errors in employment paperwork and other visa-related matters.

Maruti Suzuki, troubled by labour unrest in the recent past, has posted a threefold jump in net profit to ₹670 crore during the July-September quarter. Reduction in costs and higher rural demand helped the auto giant.

The Supreme Court has directed the **Sahara Group** to hand over title deeds to property worth ₹20,000 crore to SEBI by November 11. It said if the group failed to comply, **Subrata Roy** and the other directors would not be allowed to leave the country without the court's permission. However, on November 1, it modified its order, permitting Roy and two directors to travel abroad. The apex court had directed the group on August 31 last year to refund ₹24,000 crore by November-end. SEBI had filed contempt petitions against Roy, Sahara India Real Estate Corp (SIREC), Sahara India Housing Investment Corp (SHIC), and their directors.

Apple's profit and margins slipped despite sales of 33.8 million iPhones in its September quarter. The US tech giant closed out its fiscal year with a net annual profit of $37 billion. The iPhone 4S will now become the entry-level model to push sales in emerging markets including India, said CEO Tim Cook.

Toyota Motor Corp is numero uno again. The Japanese carmaker kept its lead over rivals General Motors and Volkswagen AG this year, January-to-September global sales figures showed. Toyota's groupwide sales totalled around 7.4 million vehicles, up 0.1 per cent from the same period a year ago. Strong sales in the US offset slowdowns in Thailand and China.

Economy

Credit card dues grew just 2.1 per cent to ₹23,500 crore year-on-year in September 2013, against 21.8 per cent growth in September last year. Data from the Reserve Bank of India showed that banks have not been growing their credit card portfolios since May 2013. Credit card loans had been showing year-on-year growth in the range of 20 to 27 per cent before May 2013.

India slid two spots to 134th place in the World Bank's latest ***Doing Business* report.** Malaysia advanced for the first time into the top 10 nations that the World Bank deems friendliest to businesses. Singapore led the annual competitiveness scorecard for the eighth straight year. Hong Kong, New Zealand, the US and Denmark, unchanged from a year ago, were in the top five. China slipped five spots to 96th, while the UK dropped to 10th from seventh.

India has slipped five places to 106th spot, way below neighbouring Bangladesh, Nepal, Sri Lanka and China, in the **World Prosperity Index**, largely due to a poor 'safety and security' environment. In the ranking of 142 countries compiled by the London-based Legatum Institute, India dropped from 101st position last year, while Norway continues in the top spot. India has has slipped in the prosperity index rankings consistently over the last five years.

$8.4 bn

India's remittance inflows from Saudi Arabia in 2012. The West Asian nation is second only to the US in terms of remittances, and is estimated to have sent over $27.6 billion of remittances across the world in 2012, according to the World Bank. After India, Egypt ($5.7 billion) and Pakistan ($3 billion) topped the list of beneficiaries.

$1.4 bn

Foreign direct investment into India in August. FDI inflows have declined to an eight-month low, down 38 per cent year-on-year. From April to August this year, FDI grew a meagre four per cent to $8.46 billion.

Markets

The **general insurance industry** is likely to reach a gross written premium (GWP) of ₹3 lakh crore by 2025 with a conservative compound annual growth rate of 13 per cent, a FICCI report said. The GWP potential is estimated at ₹4.8 lakh crore by 2025 if a higher penetration level is achieved during this period. Currently, the general insurance market is pegged at ₹70,000 crore, from a ₹12,000-crore top line industry in 2001/02.

Facebook's latest quarterly results showed continued strength in mobile advertising, which spurred a 60 per cent increase in revenue in the July-September quarter.

Coming Up

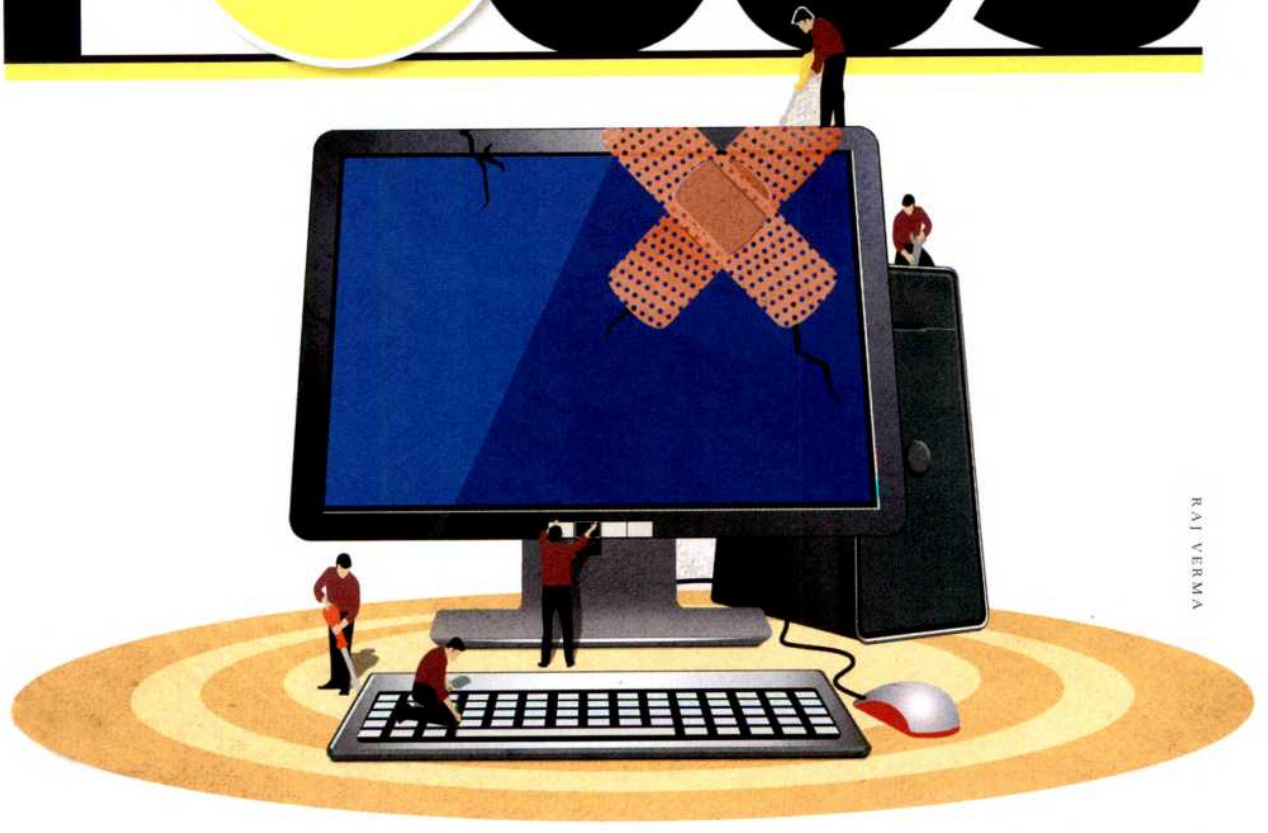
- A five per cent stake sale in state-owned Coal India is likely to take place either in November or December, said coal minister Sriprakash Jaiswal.
- Prime Minister Manmohan Singh has convened a meeting on November 13 to discuss bottlenecks in the progress of the greenfield airport at Panvel in Navi Mumbai.
- The Planning Commission has convened a meeting of various ministries in November to discuss the ban on mining in some states and related issues.

FOCUS

20 Milking Votes

24 Jignesh Shah's Retreat

26 Sach Strange Parallels



RAJ VERMA

On The Mend

The September quarter results of IT companies suggest their bad times may be ending. By GOUTAM DAS

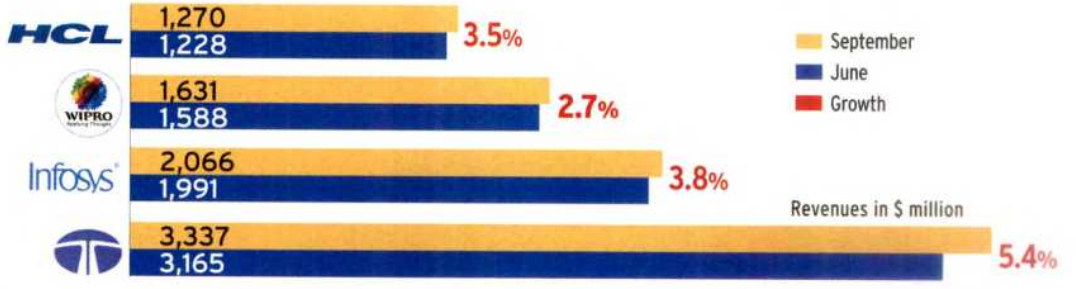
$75.8 bn
India's IT sector exports in 2012/13, according to Nasscom

It is a happy autumn for Indian IT services exporters, many of whom were worried about the poor macroeconomic climate in the United States and Europe, their largest markets. In the September quarter, most large cap as well as mid-tier IT companies reported broad-based growth, their numbers coming ahead of market expectations.

While TCS (Tata Consultancy Services), India's largest IT exporter, leads the pack in terms of top line growth, climbing 5.4 per cent over the June quarter, there was also heartening news from companies which had been struggling over the last two years. Infosys, for instance, had been finding it tough to meet investor expectations for many quarters, but it delivered revenue numbers far higher than expected. It reported dollar revenues of $2.06 billion for the September quarter, up 3.8 per cent sequentially – analysts had projected a growth of about 2.6 per cent. Wipro's IT services revenues for the September quarter increased 2.7 per cent over the June quarter to $1.63 billion, the best growth numbers the

DIGITAL REBOUND

Leading IT companies have all done better in the September quarter than in the one before it



company has posted in seven quarters. In the mid-tier IT pack, Mindtree and Persistent Systems, among others, declared better-than-expected results.

The green shoots of global economic recovery are clearly visible in technology spending. IT executives, many of whom have been advising "cautious optimism" for several quarters, have turned more confident. In their post-results commentary they point out that discretionary technology spending is bouncing back. S. D. Shibulal, CEO and MD of Infosys, for instance, noted that during the last quarter, the company witnessed broad-based volume growth, robust client additions, five large deal wins and increased sales momentum of its big data and cloud offerings.

As the slowdown hit their economies, global customers were outsourcing only essential work such as application maintenance services. There were restraints on discretionary spending which includes consulting, new software package implementation and even work around digital and new technologies.

However, it is not all smooth sailing yet. IT lobbyist NASSCOM had projected sector export growth for 2013/2014 at 12 to 14 per cent. Even with the current spurt the business, NASSCOM may not immediately revise these estimates upwards.

While tabulating average industry growth, NASSCOM factors in different segments of the industry – Indian IT services companies; multinationals such as IBM, HP and Capgemini; captives or the Indian technology arm of global corporations; and BPO companies. A couple of these segments could easily pull the average growth numbers down. "By October-end, companies send their revised projections to NASSCOM. Quite a few of them are pending. There are captives who may not be growing that much. The headcount increases here haven't been substantial," says Krishnakumar Natarajan, Mindtree's CEO and MD, who chairs NASSCOM.

The other segment that could pull industry growth rates down is business process outsourcing, where some executives are projecting single-digit growth. BPO firm EXL, in the September quarter, revised its full-year 2013 guidance downwards, to revenues between $473 million and $478 million, from revenues of $495 million to $505 million seen in March, partly due to currency movements. That points to a growth of eight per cent at the higher end. WNS too has pared its full year guidance and expects to grow in the nine per cent range. India's largest BPO firm Genpact said in August that its full year revenues will come in at the lower half of its guided range of $2.15-$2.20 billion.

There is variance in the demand momentum of IT and BPO companies for several reasons. Natarajan points out that during a slowdown BPO companies do reasonably well because budgets here are not discretionary – it is well planned spending by global corporations to boost efficiencies. Therefore, BPO firms will not gain much from a return of discretionary spending budgets when the economy recovers. But there are also other challenges BPO firms face today. Sudin Apte of Offshore Insights, a research outfit, says standalone BPO firms are struggling. "Many of them are not bringing in any transformation or a new technology to the process. Two, the sophistication of their processes integrating with mainstream IT systems also becomes tricky," he adds.

Voice-based BPO does not require too much of IT integration. But in a non-voice BPO set up where companies do a lot of transactional work such as insurance claims processing, there is a need for an IT arm. "It is becoming relatively easier for larger companies to sell BPO in addition to IT. But that is not true for standalone small BPO companies," Apte adds.

However, even if the overall industry grows at a slower pace, most IT services companies still have plenty of reasons to smile. ◆

THE ROAD AHEAD

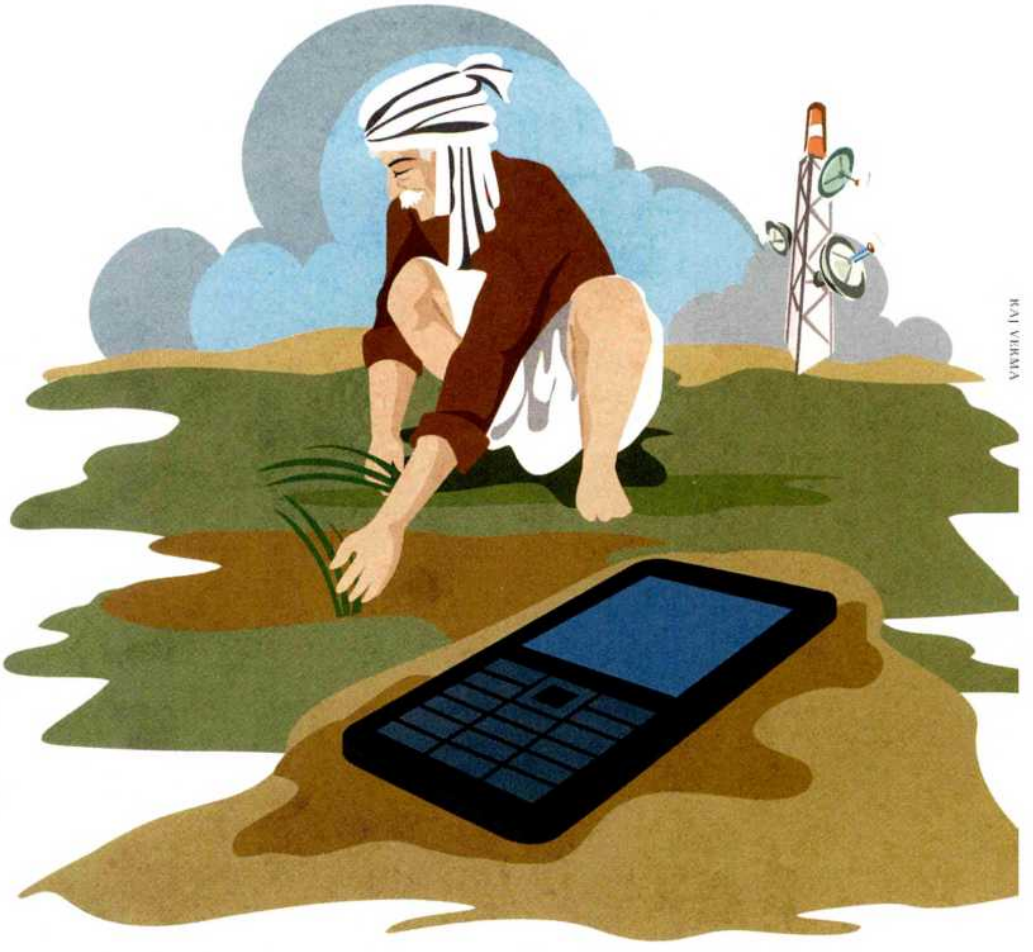
What Nasscom expects in 2013/14

IT exports to touch **$84-87 bn,** a growth of 12-14 per cent

Domestic revenues to cross **₹1,180 bn,** a growth of 13-15 per cent

Social media, mobility, analytics and cloud technologies will **fuel growth**

Future of the industry is a complete blend of services, products, solutions and platforms



RAJ VERMA

BETWEEN JULY AND SEPTEMBER, FARMERS SPEND MORE TIME IN THE FIELDS AND HENCE THE DROP IN TALK TIME

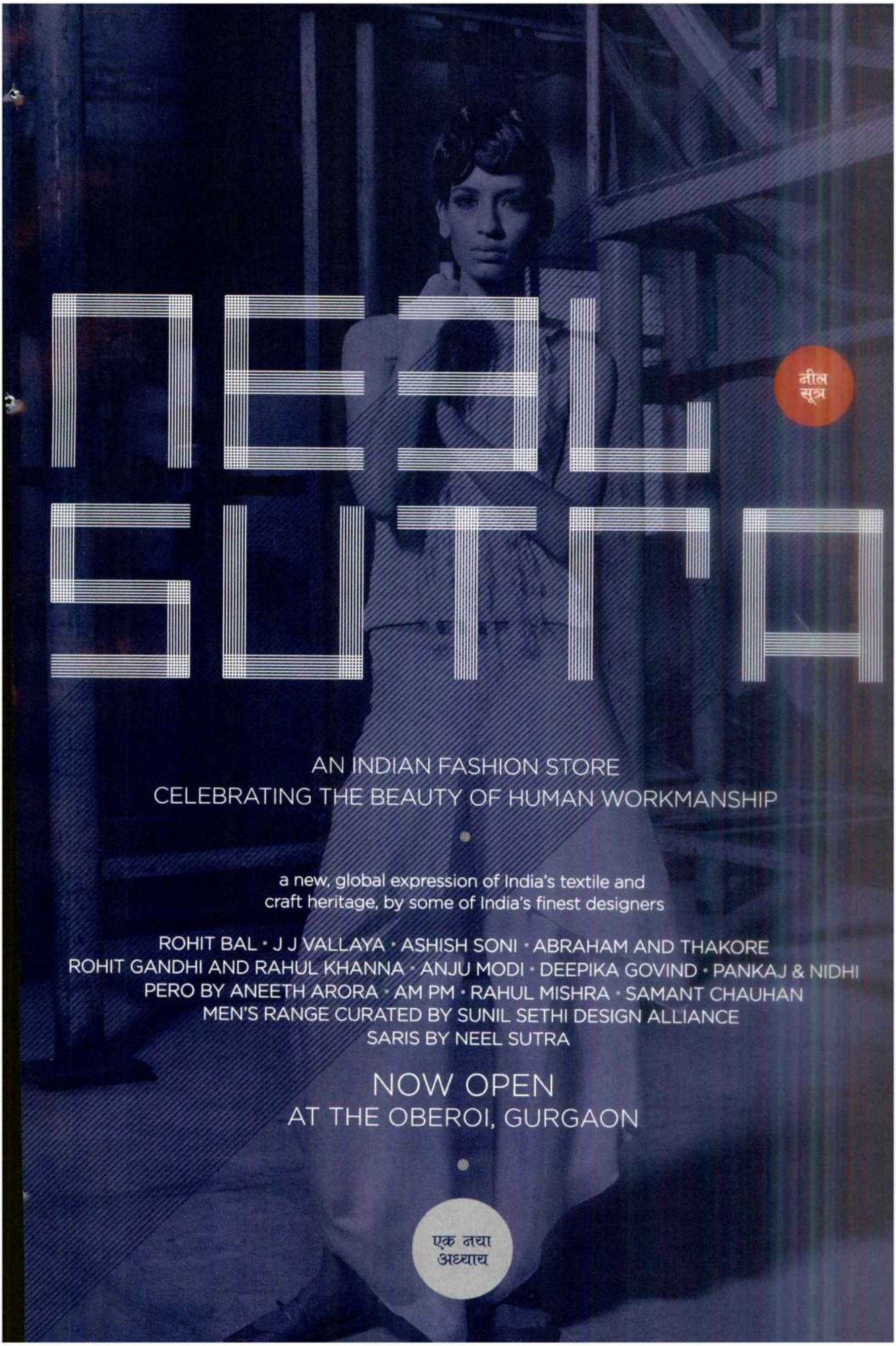
The Curious Case of Falling Phone Talk

Why do Indians talk less on the phone during the July to September quarter? Ask the farmers. By SUNNY SEN

It is an intriguing phenomenon. Indians talk less on their mobile phones in the second quarter of the fiscal year. Both Bharti Airtel and Idea Cellular, India's leading telecom operators, reported a decline in the usage per minute in the July to September period. The operators said it was a seasonal phenomenon and has been happening for the past couple of years, mainly because mobile usage in rural India drops in this period.

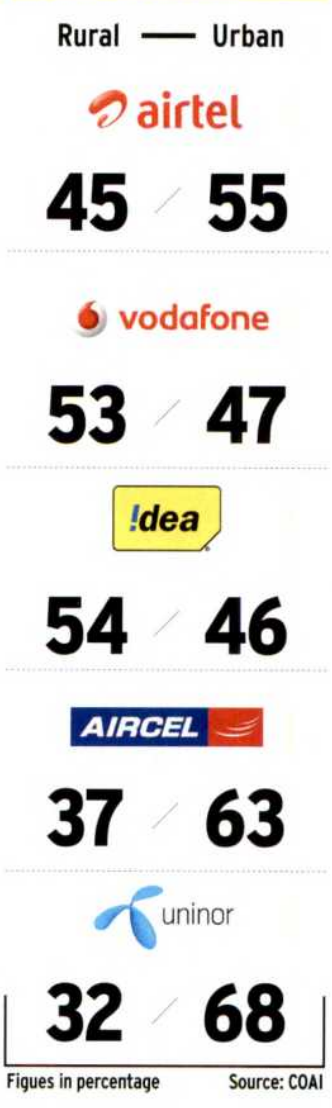
Bharti Airtel reported a four per cent sequential drop in average usage per customer to 437 minutes while Idea Cellular saw a 7.6 per cent fall to 368 minutes. Uninor's average minutes of usage per subscriber was marginally up, but muted compared to the previous quarter. It grew 1.8 per cent to 434 minutes, compared with a growth of 6.2 per cent in the quarter ending June.

Consequently, both Bharti Airtel and Idea reported a drop in average revenue per user (ARPU). Airtel's ARPU dropped four per cent to


NEEL SUTRA
नील सूत्र
AN INDIAN FASHION STORE
CELEBRATING THE BEAUTY OF HUMAN WORKMANSHIP
a new, global expression of India's textile and
craft heritage, by some of India's finest designers
ROHIT BAL • J J VALLAYA • ASHISH SONI • ABRAHAM AND THAKORE
ROHIT GANDHI AND RAHUL KHANNA • ANJU MODI • DEEPIKA GOVIND • PANKAJ & NIDHI
PERO BY ANEETH ARORA • AM PM • RAHUL MISHRA • SAMANT CHAUHAN
MEN'S RANGE CURATED BY SUNIL SETHI DESIGN ALLIANCE
SARIS BY NEEL SUTRA
NOW OPEN
AT THE OBEROI, GURGAON
एक नया
अध्याय

COUNTRY TALES

Rural folk make up a large part of the total user base



₹192 while Idea reported a six per cent fall to 164. Uninor's was constant at ₹103.

"This quarter always sees a reduction," said Gopal Vittal, CEO of Bharti Airtel's India operations, after declaring the second quarter results. Rural customers spend a lot on mobiles but between July and September, they spend more time in the fields and hence the drop, he explained. The quarter is the sowing season for kharif crops because of the south-west monsoon.

About 45 per cent of Airtel's 193 million subscribers come from rural India while the figure is 54 per cent for Idea Cellular. Rural customers are growing the fastest for Idea among all operators. In September alone it grew by 1.26 per cent, followed by Uninor at 1.08 per cent.

MOST COMPANIES ARE NOW RELEASING PRODUCTS THAT ARE SPECIFIC TO THE RURAL USER TO BOOST USAGE. EVEN FOR DATA, WHICH OPERATORS BELIEVE WILL DRIVE GROWTH IN THE FUTURE

"We are servicing such a large base of rural subscribers and their usage or non-usage affects minutes consumed," said Rajat Mukarji, Chief Corporate Affairs Officer at Idea Cellular. With the urban India market almost saturated – with close to 100 per cent penetration in metros – operators see a lot of headroom for growth in rural India which has a penetration of about 40 per cent. "Rural is where the next phase of data growth is coming from," said Mukarji.

Agriculture accounts for almost 14 per cent of India's GDP. It is bound to have an affect on the mobile economy, which according to Boston Consultancy Group contributes 5.3 per cent to the GDP. Phones are used less when people are spending time in the fields, point out analysts.

India's urban teledensity was three and a half times higher than that of rural, according to the Telecom Regulatory Authority of India's latest teledensity report. But since August last year, urban subscriber numbers have fallen 8.6 per cent to 525 million while rural subscriber base moved up by 4.7 per cent to 349 million. As operators focus on rural India for growth, the September quarter will see muted growth in talk time.

Most companies are now releasing products that are specific to the rural user to boost usage. Even for data, which operators believe will drive growth in the future. Airtel, for example, has the sachet pack video clips on offer for ₹1. Idea plans targeted agriculture-based trading solutions for rural areas with strong farming communities to beef up usage and revenue.

The inclement weather because of the monsoon also contributes to the lower mobile usage in the July to September period. "Network continuity is a factor of climatic conditions, which sometimes gets affected due to heavy rain and storm," says an executive with one of India's largest independent telecom tower company.

Finally, analysts say that the second quarter does not have a festival like the others, where people travel and talk a lot more, lifting both roaming and intra circle revenue. Not only for telecom operators, Mukarji says the second quarter is a dull period for other sectors as well such as fast moving consumer goods and auto. "The third and fourth quarter is always a stronger half year," he says.

Sarovar Agarwal, Principal at consultancy firm A.T. Kearney, expects that the next quarter with Dussera, Diwali and Christmas will show a rise in mobile talk time. "Quarter three will be a spike as there are a whole lot of festivals." ◆

Hospitality as legendary as our landscape.

Warm hospitality. Friendly service. Fine cuisine. It's easy to fall in love with Switzerland – before you even catch a glimpse of the Alps. For bookings and inquiries about daily nonstop flights from Mumbai and Delhi to Zurich call 1-800-209-7240/(022) 6713 7200, contact your travel agent or visit swiss.com

AR ALLIANCE MEMBER

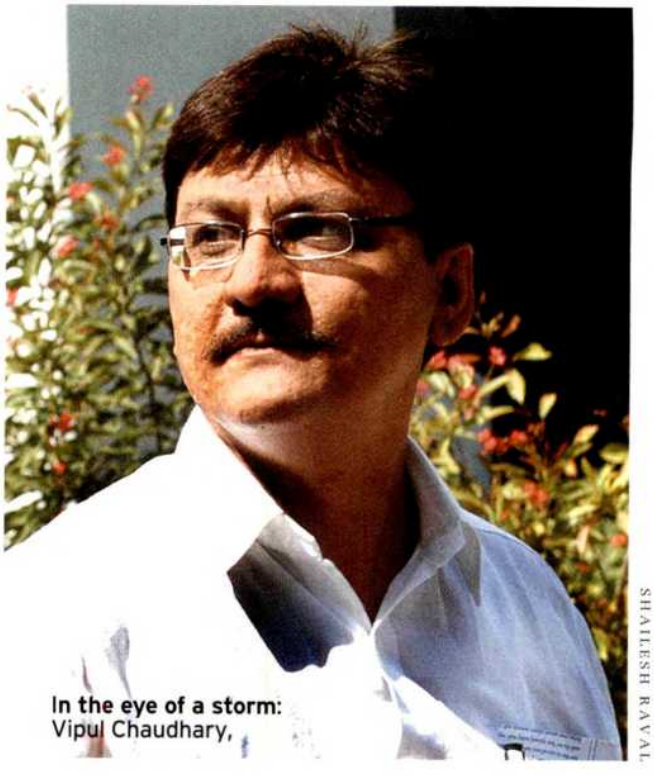
Our sign is a promise. SWISS

Milking Votes

Why 14 of the 17 member unions of the Gujarat Cooperative Milk Marketing Federation, which owns the Amul brand, want to oust Chairman Vipul Chaudhary. By AJAY MODI

A murky boardroom battle is being fought at the Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets dairy products under one of India's top brands Amul. Fourteen of its 17 elected board members, most affiliated to the ruling BJP in the state, have got together to oust Chairman Vipul Chaudhary.

When Chaudhary was elected unopposed in August 2012 for a three-year term, he enjoyed the confidence of BJP affiliated unions who form a majority on the board. GCMMF is a body of 17 milk producing cooperative unions of Gujarat. It markets the products of these unions under Amul and Sagar brands. Chaudhary is also the Chairman of Mehsana District Cooperatives Milk Producers Union, popularly known as Dudhsagar Dairy since 2005. Mehsana is one of the biggest milk producing cooperatives under the GCMMF.



In the eye of a storm: Vipul Chaudhary,

SHAILESH RAVAL

GCMMF MEMBERS OPPOSING CHAUDHARY CLAIM THAT THE NO-CONFIDENCE MOTION AGAINST HIM ON OCT 23 WAS A RESULT OF HIS UNILATERAL STYLE OF FUNCTIONING

Things, however, have changed now. Chaudhary, who was a home minister in the Shankarsinh Vaghela government in Gujarat, is believed to be moving closer to the United Progressive Alliance coalition at the Centre. Many link this to his aspirations to become the next chairman of the National Dairy Development Board. Chaudhary recently met Congress Vice President Rahul Gandhi and party MP from Gujarat, Ahmed Patel, according to sources. Earlier this year, Chaudhary also gave away cattle feed worth ₹22 crore for free to a milk cooperative in Agriculture Minister Sharad Pawar's home state Maharashtra. All this has not gone down well with the state BJP leadership.

A number of GCMMF board members opposing Chaudhary claim that the no-confidence motion initiated against him on October 23 was a result of the chairman's unilateral style of functioning. However, off the record, some admit the political angle to it. The board had called a meeting on October 26 to take the motion forward. However, Chaudhary succeeded in getting a stay on the no-confidence resolution from the Gujarat High Court. The court will hear the matter on November 11. Chaudhary was unavailable for comment.

Partisan politics is not new to GCMMF. In 2006, the late Verghese Kurien, widely known as the Father of India's White Revolution, stepped down as Chairman after

imageFORMULA

Canon

Delighting You Always

MY PERSONAL SCANNER

LETS ME SCAN MY IMPORTANT DOCUMENTS AT HOME OR ANYWHERE ELSE.

WITH THE PORTABLE P-201 SCANNER, EFFORTLESSLY DIGITIZE YOUR IMPORTANT DOCUMENTS, MARKSHEETS, POLICIES, PORTFOLIO, ETC. AT HOME OR ANYWHERE ELSE.

The sleek document scanner with CaptureOnTouch Lite helps you efficiently scan your documents, business cards, etc. using a laptop and other smart devices.

Call Canon : 1800 180 3366# / 39010101*. Corporate Office : Canon India Pvt. Ltd., 7th floor, Tower B, Building - 5, DLF Cyber Terraces, DLF Phase III, Gurgaon - 122002, Telephone : 0124-4160011. #From MTNL/BSNL/Airtel landlines, *Prefix your city code while dialing from mobile phone.

COOPERATIVE NUMBER ONE

₹13,735 crore
Annual Revenues

11 million litres
Daily milk procurement

3.2 million
No. of milk producers it deals with

Present in **90%** of Gujarat's villages

25%
of Gujarat voters are associated with it directly or indirectly

"THE FEDERATION HAS NOT SUFFERED ANY LOSS UNDER CHAUDHARY," SAYS RAMSINH PRABHATSINH PARMAR, KAIRA CO-OP MILK UNION

a 33-year-long tenure because of strong opposition from a section of the board members. In 2012, Parthi Bhatol relinquished the post of chairman and made way for Chaudhary after a revolt against his leadership by some board members. Both Bhatol and Chaudhary had the support of the BJP. Bhatol's son is a BJP MLA from Gujarat. The chairman's post at GCMMF is crucial for BJP keeping in mind the 2014 Lok Sabha elections. The federation deals with 3.2 million milk farmers, has a presence in 90 per cent of Gujarat's villages and can influence a large proportion of the 38 million voters in the state.

Bhatol told *Business Today* that Chaudhary's actions are not in line with the policies of a co-operative. "No board meeting has concluded peacefully ever since he took over as the chairman last year," says Bhatol, who heads the Banaskantha Cooperative Milk Union. "He sold 7,000 tonnes of milk powder to private buyers at low rates which resulted in a loss of ₹28 crore for the Mehsana producers. The board had to impose a fine of ₹11 lakh on the Mehsana Union for this," he adds and claims that Mehsana, which used to be the biggest producer among the 17 cooperatives under GCMMF, is now relegated to the second position while Banaskantha has become number one. "Farmers in Mehsana Dairy get paid less than all the other cooperatives of Gujarat."

Several board members also allege that Chaudhary created excess capacities under Mehsana without approvals of the federation incurring huge investments. These capacities are sitting idle and the cooperative continues to service high debts raised for these expansions, they claim. Ashwin Sawali, Chairman of Amreli Dairy Federation, said that the board members made several requests to Chaudhary in meetings to mend his ways but he did not change. "If he continues to lead the federation, it will decline. Amul is our pride and we cannot let it go this way."

GCMMF Managing Director R. S. Sodhi too has raised charges against Chaudhary. In a letter to Mehsana Union's vice chairman, Sodhi said that the "union has invested a huge amount without any need and this had led to lot of interest and depreciation burden, resulting in huge losses".

Chaudhary's supporters dismiss the allegations. "Under the rules, the federation cannot bring a no-confidence motion and that is why the move was stayed by the Court," says Ramsinh Prabhatsinh Parmar, Chairman of the Kaira Cooperative Milk Union and a board member at GCMMF. " The whole issue is political. We need to keep politics away as this is a farmers' body. The federation has not suffered any loss under Chaudhary's tenure."

The stage appears set for further conflict. GCMMF officials are, however, certain that this will have no impact on the business and brand of Amul. ◆

NISSAN

Innovation that excites

NISSAN TERRANO.
POWERFUL PRESENCE.

The all-new Nissan Terrano is here. It's designed to dominate anything that comes its way. With its muscular looks, dynamic performance and sturdy built, the Nissan Terrano is engineered to make a bold statement.

The Terrano has made its presence felt and has got an overwhelming response. Whether on the move or stationary, it is ready to write a whole new story on the Indian roads.

PURE DRIVE

ailable in 85 PS and 110 PS Diesel Variants and 104 PS Petrol Variant.

- STYLISH -

16" MACHINED ALLOY WHEELS

PIANO BLACK CONSOLE

PREMIUM LEATHER SEATS

- CAREFREE -

DUAL FRONT AIRBAGS

POWERFUL YET FUEL EFFICIENT

- ENTERTAINMENT -

6.1" TOUCH-SCREEN MULTIMEDIA SYSTEM#

OR A TEST DRIVE, CALL 1800 209 4080

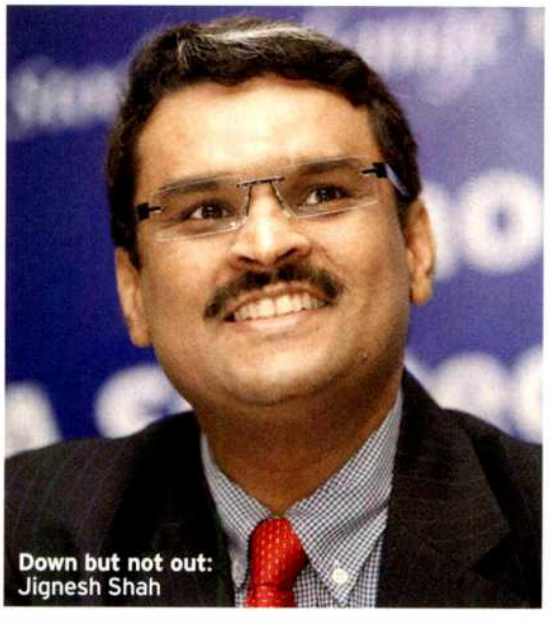
www.nissan.in | /NissanIndia | /Nissan_India

*tures mentioned and accessories shown are not a part of the standard fitment and are subject to availability. *85 PS K9K Diesel Engine. Certified under Rule 115 of VR 1989. #Additional accessory, not a part of the standard fitment. Please consult your local dealer for details.*

TBWA\30881013

Strategic Retreat

Jignesh Shah set up both the National Spot Exchange and the Multi-commodity Exchange. Tarred by the scandal in the first, he bows out of the second as well. By MAHESH NAYAK



Down but not out: Jignesh Shah

RACHIT GOSWAMI

SHAH WILL STILL CONTROL THE MCX BECAUSE HIS COMPANY, FTIL, HOLDS A 26 PER CENT STAKE IN IT

The founder of the Multi Commodity Exchange (MCX), Jignesh Shah, may be down but he's certainly not out. Shah resigned from the board of the country's top commodities bourse last fortnight amidst a continuing probe into a settlement crisis at the National Spot Exchange Ltd (NSEL). But some experts say he will still control the exchange because his company, Financial Technologies India (FTIL), holds a 26 per cent stake in it. "He is being realistic. Though he will be out of operational function, nothing much changes as he continues to have power as the largest shareholder. Stepping down is in the long-term interest of Shah and his group," says P.H. Ravikumar, former CEO and Managing Director of the National Commodity and Derivatives Exchange (NCDEX).

Sources say Shah could not have gone down without a fight. He has been under a cloud since the ₹5,500-crore settlement crisis surfaced at NSEL three months ago when it was discovered that some NSEL brokers' clients had taken positions on longer-term forward contracts though the exchange was only permitted spot contracts in commodities. His resignation comes nearly a month after commodity markets regulator Forward Market Commission (FMC) issued a notice to FTIL, the promoters of the MCX. Shah and a few other MCX directors to prove their ability to manage the exchange. Shah and the others have sent a detailed response to the regulator. FTIL has argued that a forensic audit of NSEL has not blamed the company for the crisis. Sources say lawyers were confident they could have challenged the FMC in court if the regulator had gone against the company and Shah in the "fit and proper" case.

But industry officials say Shah had been painted into a corner. "Shah had no other option but to resign. It's a good move by Shah. There was a high probability that the FMC could have ordered Shah and his people as unfit to be on the board and run the MCX and before the FMC could order he himself has stepped down," says C.J. George, Managing Director of Geojit BNP Paribas Financial Services.

Shah has denied any wrongdoing. He said he resigned from the board to avoid any harm to shareholder interests. "I don't want any event or anything to undermine their (MCX's) reputation and want to ensure that the shareholder and investor interests are not harmed by the mud-slinging that has been done towards the entire range of institutions that have been created by the group," he said in a statement.

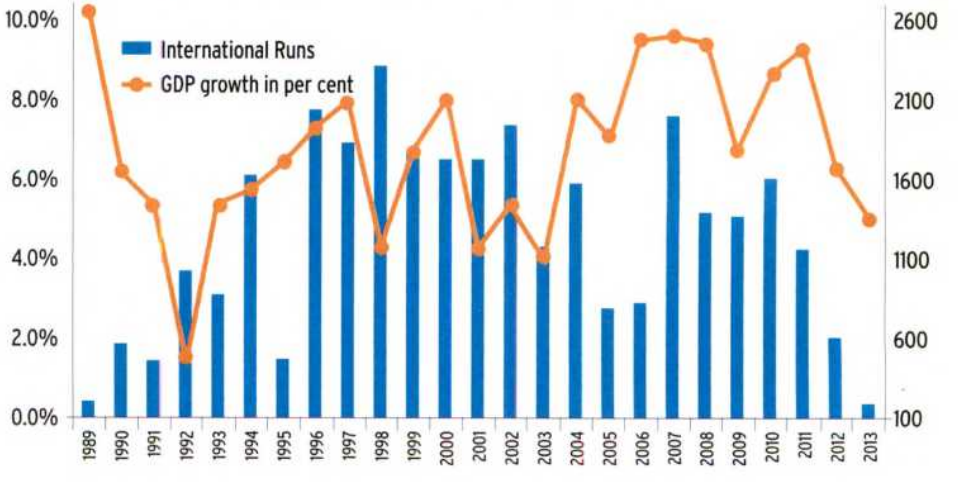
Some industry experts say he will be back on the board once the crisis has been resolved. Already, a few NSEL defaulters have begun paying up following action by the Economic Offences Wing and Enforcement Directorate. But others are not convinced. "He is out for good. Unlike earlier were his employees saw a god-figure in him today no one would trust him," said Geojit's George. ◆

A STAR ALLIANCE MEMBER
Good flight.
Good connection.
Good deal.
Over 250* destinations including Europe, USA and Canada
Nonstop you
Enjoy stress-free transfers with 66* weekly flights from 5 metros in India via our group hubs in Frankfurt, Munich, Zurich and Vienna. Arrive relaxed for your meeting across Europe, USA and Canada in nonstop comfort.
Lufthansa
lufthansa.com

SACH ST

1 The Sensex's rise has closely matched Tendulkar's aggregate run score in Test cricket. When he completed his first 5,000 runs in 1999, the Sensex was trading near 5,000 points. It was trading near 10,000 in 2005 when the master scored his 10,000th run in Tests. When the Sensex crashed in 2009 due to the global financial crisis, Tendulkar's career too hit a low. But again, when he reached 15,000 runs in 2011, the Sensex was trading near those levels.

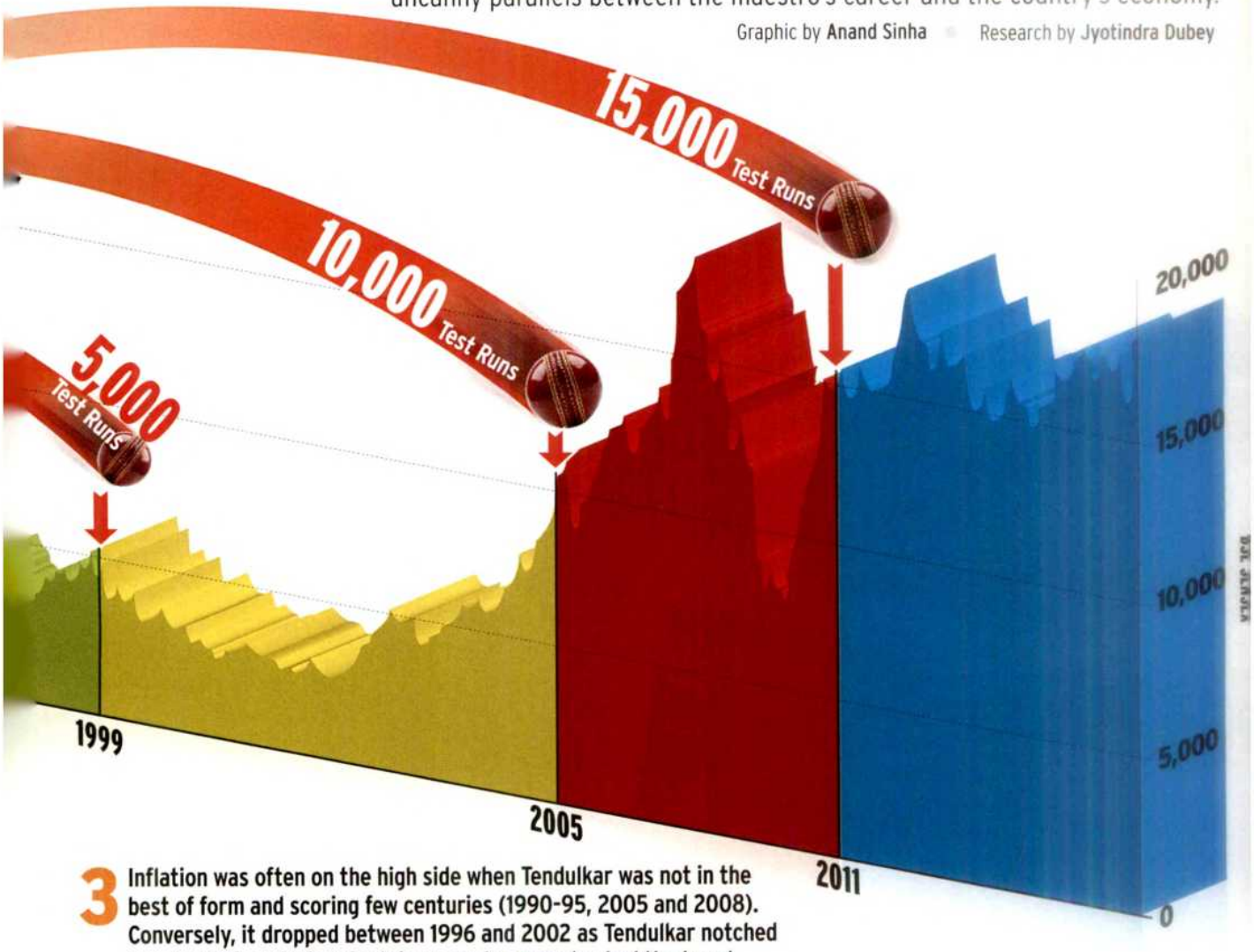
2 GDP growth has often mirrored Tendulkar's performances. The Indian economy's robust performance from 1996 to 2002 and again from 2005 to 2010 was matched by Tendulkar's run-getting on the field. The master's lean season in recent years was matched by a slowdown in economic growth. However, Tendulkar's best year in Tests came in 2010, the same year the economy rebounded strongly from the global financial crisis led slowdown. The year saw Tendulkar reach many personal milestones, including a double century in ODIs and his 50th Test century.



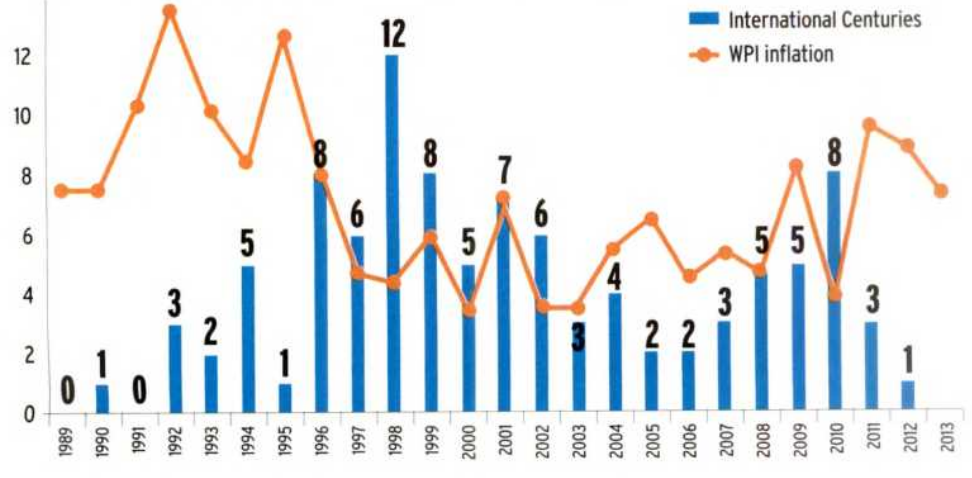
ANGE PARALLELS

As Sachin Tendulkar retires after 24 years in international cricket, *Business Today* discovers some uncanny parallels between the maestro's career and the country's economy.

Graphic by **Anand Sinha** Research by **Jyotindra Dubey**



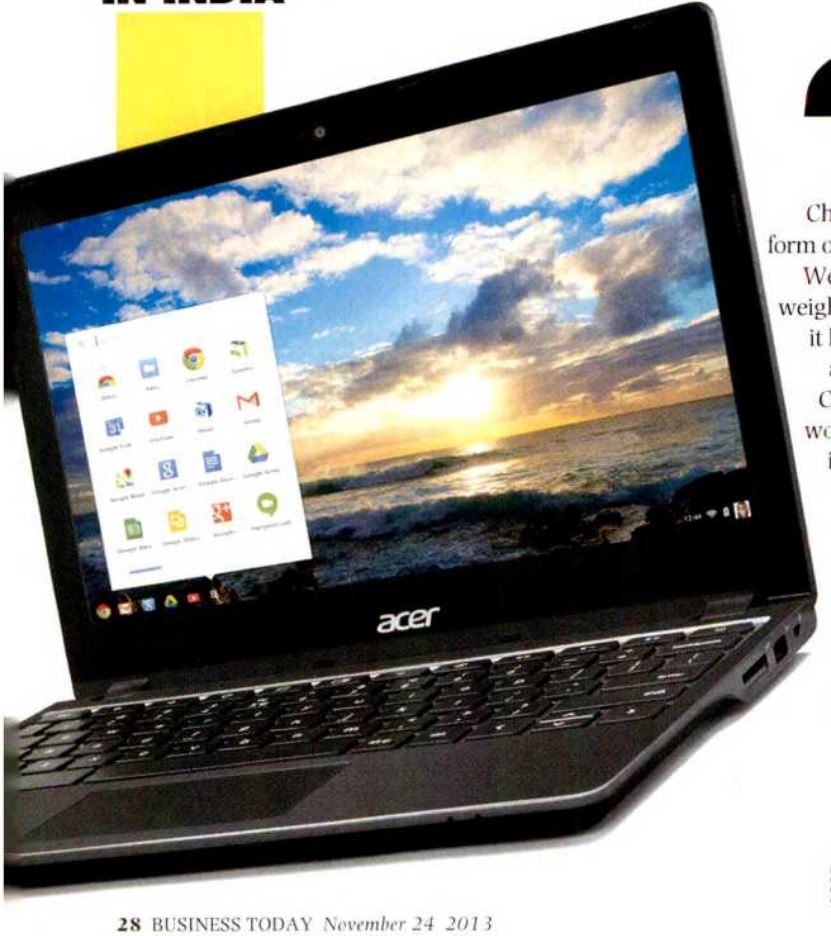
3 **Inflation was often on the high side when Tendulkar was not in the best of form and scoring few centuries (1990-95, 2005 and 2008). Conversely, it dropped between 1996 and 2002 as Tendulkar notched up a host of centuries. Certain years, however, bucked the trend.**



Create Together

Talkboard by US multinational software company Citrix is a live collaborative app for those artistically inclined. It lets you create sketches on which your collaborators can work online. It is a great sketching tool, though without the kind of advanced features that paper or other sketch apps offer. It is easy to use, with intuitive gestures for undo and redo. And, if none of your collaborators are online, you can still share the files with them over mail.

A COLLABORATIVE SKETCHING APP, A GREAT CAMERA PHONE, AND THE FIRST CHROMEBOOKS IN INDIA



Perfect Pictures

Nokia has finally brought its 41 MP PureView camera technology to the Windows Phone. The Lumia 1020 has the trademark Nokia looks, but with a hump for the camera module at the rear. It has a large 4.5-inch display and new features such as 'glance screen'. Windows phone isn't a power-hungry platform and the 1.5 GHz dual-core CPU, paired with 2 GB RAM, is good for all operations. But this phone is all about the camera. The default camera app captures images only at 5 MP, and you need the Nokia Pro Camera app to really fiddle around with the resolution and other camera features. This versatile app really adds value. We captured images from a distance and were able to zoom in and see different parts of it clearly, instead of getting pixelated images.

NIDHI SINGAL

Camera; build quality

Price

Nokia Lumia 1020 **Price:** ₹49,999

Acer C720 **Price:** ₹22,999

Cloud Comfort

Chromebooks have finally come to India in the form of the Acer C720 and the HP Chromebook 14. We tested the former, a slim 11-inch notebook, weighing just 1.25 kg. The device is light because it has hardly any storage inside. In fact, hardly anything is done on the computer itself – the Chrome operating system uses the browser to work on the cloud. So, all documents are saved in Google Drive by default. You can add apps from the Chrome webstore, but there is no option to use favourites like iTunes and Skype. Files can be opened and played from USB drives, some can even be saved in the limited 16 GB internal memory. The device is good for people who use the computer primarily to access information and communicate – the same two functions a tablet does best as well.

NANDAGOPAL RAJAN

Ease of use; slim and light

Many apps don't work; loud keyboard

VIT®
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)
VELLORE ■ CHENNAI
www.vit.ac.in

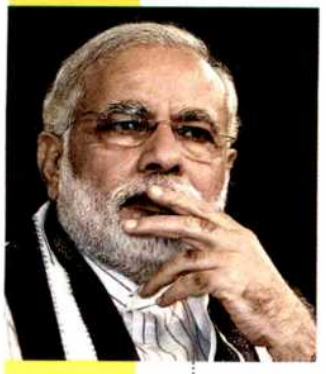
my subjects
my timings
my professor
my degree
my career

FFCS™

India's first university to offer Fully Flexible Credit System

- Opportunity to graduate with a double major
- Choice of major and minor programmes
- Degree with honours
- Choice of subjects for each semester
- Choice of time slots for each course
- Choice of number of subjects per semester
- Balanced curriculum, with subjects in Engineering, Science, Management and Humanities for all-round development
- Option to add / drop / withdraw subjects in each semester
- Opportunity for undergraduate research experience
- Opportunity for project-based learning
- Option to register for courses online
- Option to register for summer-term courses

As part of VIT's constant endeavour to provide the best education, we introduced India's first Fully Flexible Credit System (FFCS)™ four years ago – an innovation that gave the power of choice to students. With FFCS™, students can choose the right combination of subjects according to their interests and academic ability – a major in any of the engineering programmes and a second major in management. Students can also choose a major in one engineering programme and a minor in another engineering programme. By giving students the freedom to be the master of their own destinies, we have successfully helped them excel in their chosen field of study.



"Every Indian still regrets that he (Vallabhbhai Patel) did not become the first Prime Minister. Had he been, the country's destiny would have been different"

Narendra Modi, *Gujarat CM and BJP's PM candidate, at a rally in Ahmedabad on October 29*

"It is rather odd that you have attempted to brazenly usurp the rich legacy of Sardar Vallabhbhai Patel, whose approach and beliefs militate against all that is personified by the RSS, whose nominee you are"

Anand Sharma, *Commerce Minister, in a letter to Narendra Modi*

"Mahatma Gandhi, Sardar Patel and Maulana Abul Kalam Azad taught us to respect all people even if their ideologies were different. Today there is dearth of these thoughts and I believe everyone present on this dais will do a self-assessment about it"

Manmohan Singh, *Prime Minister, while sharing a dais with Narendra Modi at a rally in Ahmedabad on October 29*

"An associate of Hitler's said if you repeat a lie a 100 times, it is accepted as the truth. This is what they (Narendra Modi and his supporters) are doing. When you believe in fascism, you follow Hitler's ideals"

Nitish Kumar, *Bihar Chief Minister, at a rally in Rajgir on October 29*

"An intelligence officer came into my room and told me that people from Pakistan's intelligence agencies are talking to a few Muslims boys whose relatives were killed in Muzaffarnagar riots. He said he tried to talk to the boys and convince them not to get influenced by these people"

Rahul Gandhi, *Congress Vice President, at a rally in Indore on October 24*

"Congress should tell the country how come Indian intelligence agencies are briefing the 'shahzada' (Rahul)... and you have leveled serious allegations against the youth in relief camps (of Muzaffarnagar) that they are hobnobbing with ISI"

Narendra Modi, *Gujarat CM and BJP's PM candidate, at a rally in Jhansi on October 25*

Panasonic recommends Windows 8 Pro.

Panasonic

COMPUTE WHERE YOU NEVER THOUGHT POSSIBLE.

CHANGE THE WAY YOU WORK.

Get to know Windows 8 Pro

WORLD'S FIRST FULLY RUGGED BUSINESS TABLET WITH WINDOWS 8 PRO FEATURES

The new light-weight Panasonic Toughpad FZ-G1 allows you to carry out your business in the toughest conditions, with relative ease. Challenge extreme conditions with its remarkable advantage of resistance to dust, water & shock. The high-performance components and the rugged form factor make the Toughpad FZ-G1 a formidable combination of mind and muscle.

Fully Rugged | Lightweight | 10-point multi-touch Display + Digitizer | HD Daylight Readable

TOUGHPAD

CONTACT US FOR A PRODUCT DEMO

Find us on : twitter Contact us : 1800 103 1333 I 1860 425 1860 Website: www.panasonic.co.in/toughbook E-mail: toughbook.marketing@in.panasonic.com

Chew On This

Why leading cigarette-maker ITC is now selling cigarette alternatives as well.

By E. KUMAR SHARMA

ITC, India's leading cigarette maker, is offering help to those who want to quit smoking. It has begun selling a nicotine gum called "KwikNic", as an alternative to cigarettes. It works on the principle of Nicotine Replacement Therapy (NRT) and helps reduce the urge for tobacco. NRT involves the use of products that provide low doses of nicotine but do not contain the toxins found in smoke.

ITC INTENDS TO LEVERAGE ITS DISTRIBUTION NETWORK TO PAAN SHOPS TO OFFER THIS PRODUCT TO ANY CONSUMER WISHING TO STOP TOBACCO CONSUMPTION

A few pharmaceutical companies are already offering NRT products, mostly chewing gums. Cipla was the first to launch NRT drugs in 2001 with its product Nicotex. Another product Nicogum was launched in 2008. These two dominate the cigarette alternatives market which 81 per cent and 18 per cent market share respectively, says a Cipla spokesman quoting healthcare market intelligence data. Johnson & Johnson and German Remedies also sell NRT products.

Can ITC compete with them? It stands a chance because this is a growing market. According to the Cipla official, the NRT market is around ₹20 crore up from ₹14 crore in 2012. "Currently the NRT industry is dominated by pharma players," says an ITC spokesperson. "Moreover such products are mainly available in medical stores. This is where ITC wants to make a difference. ITC intends to leverage its wide distribution network to paan shops to offer this product to any consumer who wishes to gradually stop his tobacco consumption."

KwikNic may not yet have reached all the two million retail outlets, including paan shops, where ITC has direct presence, but it will certainly go way beyond its rival products which are confined to the country's 800,000 pharmacy outlets The added incentive for ITC, its spokesperson says, is that "India holds the unique position of having the highest number of people chewing tobacco in the world." The Global Adult Tobacco Survey (GATS) conducted by the government in 2010, says, "More than 63 per cent of tobacco consumption in India is in the chewing tobacco form. Cigarette consumers are less than six per cent of adults."

Analysts claim ITC's NRT products are unlikely to dent its cigarette sales. "These are at best long-term alternatives and ITC's gross sales are too huge for any new product like this to have any significant impact on its mainstream products in the short to medium term," says Amnish Aggarwal, Senior Vice President, Motilal Oswal Securities. In 2012/13, ITC reported gross sales of ₹25987.20 crore from cigarettes.

It appears a win-win proposition for ITC. It sells cigarettes to smokers. And NRT gums to those trying to quit. If some resume smoking again, ITC's cigarettes are still available. ◆

KICKING THE HABIT

Cigarette alternatives are slowly finding a foothold

MARKET SIZE:

₹20 crore

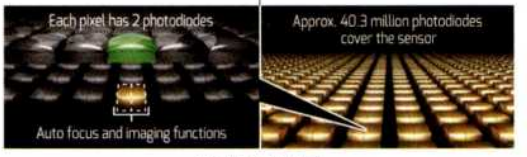
KEY PLAYERS:

Cipla, Johnson & Johnson, German Remedies (now joined by ITC)

AVERAGE COST:

A 2 mg pack of 10 gumscosts **₹50**

Capture images in still and video with intuitive focus.



Dual Pixel CMOS AF

Simulated images

The new Dual Pixel CMOS AF. The advanced Auto-Focus technology from Canon.

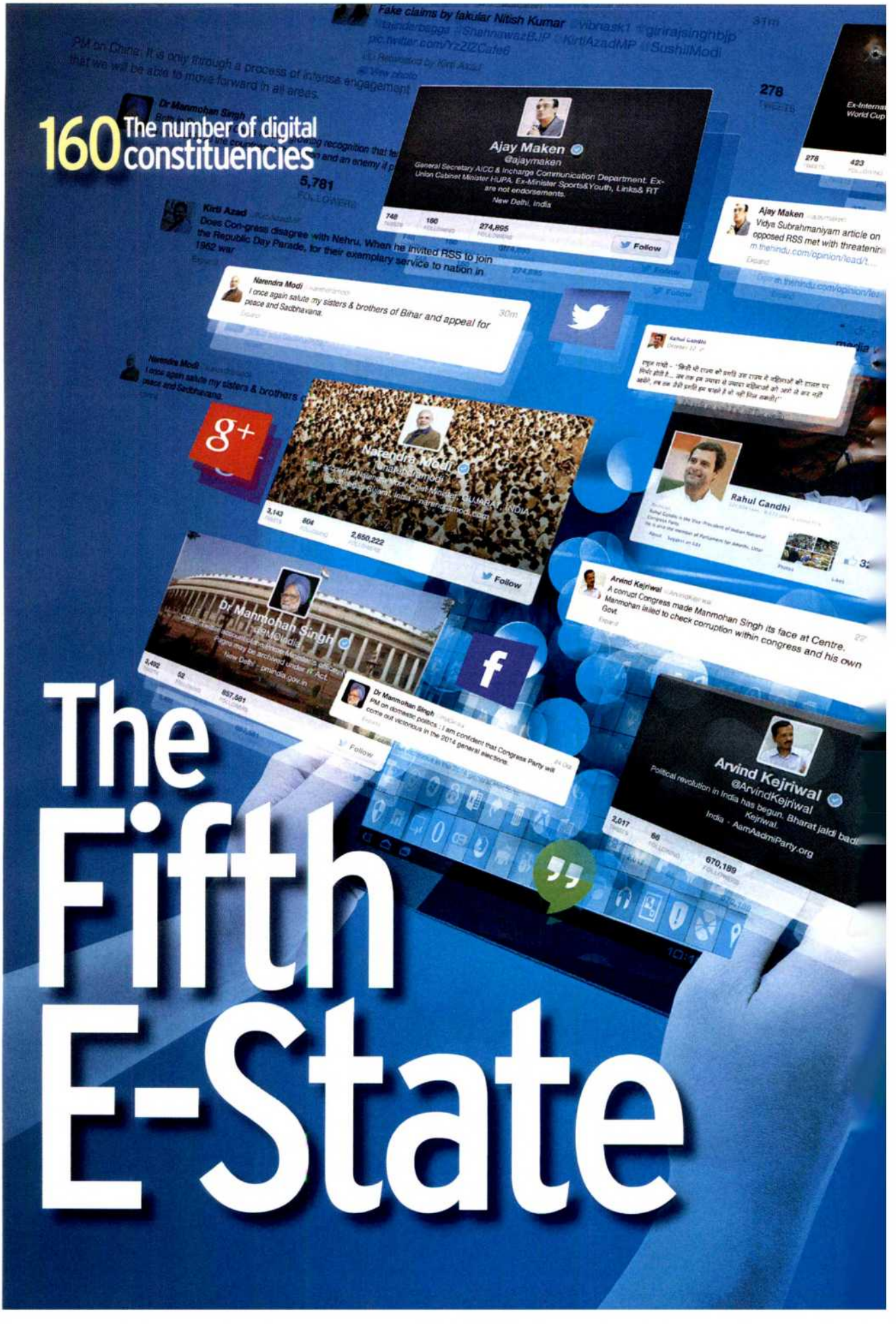
Presenting the next technological wonder from Canon – Dual Pixel CMOS AF. Approx. 40.3 million photodiodes on the CMOS sensor enable precise focusing at any given time. And captures videos without a glitch. A revolutionary technique of clicking images and capturing videos.

For the EOS 70D, Dual Pixel CMOS AF works within approx. 80% shooting area maximizing horizontal and vertical coverage.

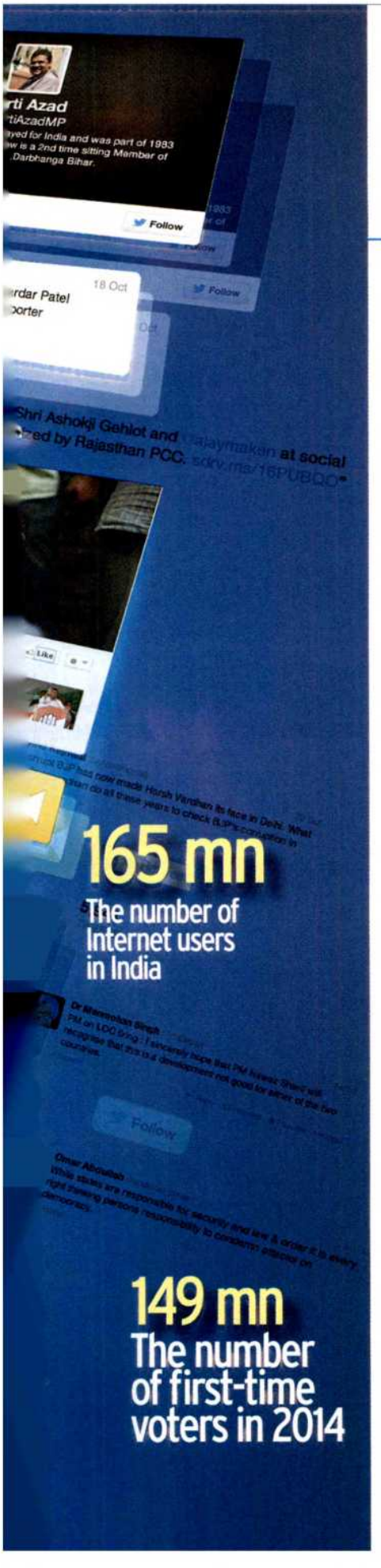
One camera. Unlimited possibilities.

Canon

©2013 Canon Inc. canon.com


160
The number of digital constituencies
Ajay Maken
@ajaymaken
Narendra Modi
Rahul Gandhi
Arvind Kejriwal
@ArvindKejriwal
Dr Manmohan Singh
The Fifth E-State

ANAND SINHA



Digital media is changing the way political parties interact with voters. Can it make a difference in next year's general elections?

By SHWETA PUNJ

On a pleasant August morning in New Delhi, over 250 state and national leaders of the Congress party gathered for a crash course on social media. Among those who attended the one-day workshop were lawmakers Ajay Maken, Shashi Tharoor, Manish Tewari and Deepender Hooda. Congress Vice President Rahul Gandhi, who has stayed away from social media, also stopped by for some time. The participants listened to executives from social networking giant Facebook, micro-blogging site Twitter, and mobile messaging service WhatsApp on how social media can be used to interact with voters. Why was the workshop important? "Social media is indispensable," says Tharoor. "If you are thinking about a long-term future, which we are, you have to build a platform today."

The Congress isn't the only party trying to ride the digital wave ahead of general elections to be held by May 2014. At the New Delhi head office of the main opposition Bharatiya Janata Party (BJP), about a dozen tech professionals are crunching data on social media users. The data is broken down on the basis of gender, Facebook and Twitter users, and the mode of Internet access – mobile, computer, tablet, etc. Leading the IT team is Arvind Gupta, an IIT graduate who ran his own business in Silicon Valley before he began working for the BJP about six years ago. Gupta says social media could impact polls in 160 Lok Sabha seats where about 20 per cent voters have Internet access.

What explains the fascination of India's two biggest political parties with social media?

Until recently, the campaign strategies of political parties centred on public rallies, and print, television and radio advertising. But the proliferation of Internet, computers and smartphones in the past few years has prompted politicians to look at the potential of the online medium. The country has almost 165 million Internet users as of March, according to the Telecom Regulatory Authority of India. A recent study by the Internet and Mobile Association of India, a trade group, and market research firm IMRB estimates the number of social media users to rise to 91 million by December from 86 million in October. To be sure, this is a fraction of India's total voting population of more than 700 million. And, not all social media users vote. But these people are actively engaging in political debates and influencing opinion. Besides, there will be about 149 million first-time voters in 2014. Also, in the 2009 elections the difference in votes between the

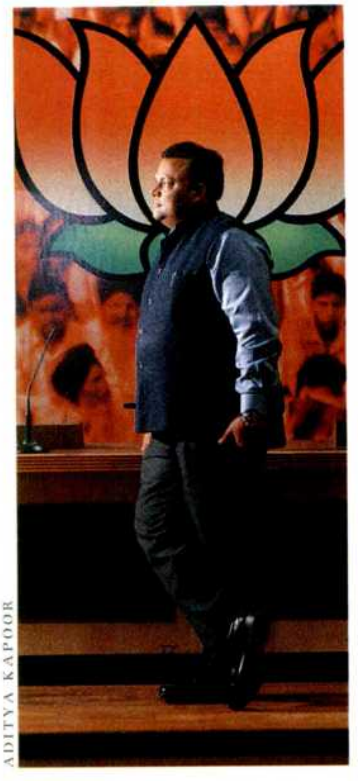
Congress and BJP was just 40 million, according to the Election Commission. It's here netizens can make a difference.

Several studies have highlighted the importance of this group of voters. In a *Business Today* survey, conducted in 12 cities by market research firm MDRA in October, nearly 95 per cent respondents said they were following the digital campaigns of political parties (see *The Social Influence*). The survey also showed that over 46 per cent of the 1,010 respondents, who will be eligible to vote for the first time in 2014, take opinions expressed online seriously. In April, research firm IRIS Knowledge Foundation said in a study social media could have a "high impact" on 160 of 543 Lok Sabha seats in the 2014 polls. In these constituencies the number of Facebook users is more than the margin of victory of the winner in the 2009 polls or where Facebook users account for over 10 per cent of the voting population, it said.

Digital media strategies are now part of the overall campaign briefs, and parties are spending an increasing amount of time and resources to mobilise netizens. There is no estimate of the amount political parties are spending on social media campaigns. But its growing use has caught the attention of the Election Commission. On October 25, the commission said political parties and candidates will have to keep account of their expenses on social media websites, just as they do with traditional campaigning.

Arvind Gupta, Head of BJP's IT cell

"All regular BJP karyakartas (party workers) as well as volunteers are training to become e-karyakartas"

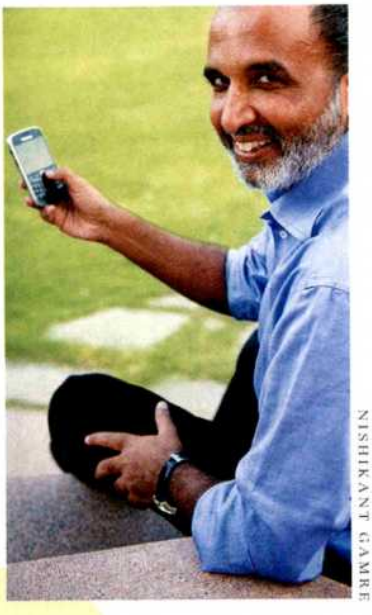


ADITYA KAPOOR

Candidates must also declare their social media accounts and political parties will have to certify advertisements before posting on these websites, the commission said.

India is not the only country where political parties are using social media for campaigning. US President Barack Obama's campaign team effectively used social media during the presidential elections in 2008 and again in 2012. Indian politicians are now catching up. While top Congress leaders such as Sonia Gandhi and her son Rahul Gandhi, seen as a prime ministerial candidate, have been reluctant to adopt social media, some other party members are actively into Facebook and Twitter.

Tharoor, Minister of State for Human Resource Development, is one of the earliest adopters of Twitter among politicians and has over 1.9 million followers. Milind Deora, Minister of State for Communications, Information Technology and Shipping, is another prolific tweeter. The two-time parliamentarian from South Mumbai, a high-impact constituency according to IRIS, was the first Congress leader to tweet against the infamous ordinance that would have allowed convicted lawmakers to contest elections, just a day before Rahul Gandhi called the ordinance "complete nonsense".



NISHIKANT GAMRE

Sanjay Jha, spokesperson, Congress party

"I get terribly abused and trolled all the time. I was very disappointed initially, but then I realised that I have to learn to overcome that"

Arguably the savviest politician when it comes to social media is the BJP's prime ministerial candidate, Narendra Modi. He has 2.6 million Twitter followers, 5.5 million Facebook 'likes', his own website and

LEADING THE PACK

The most Twitter-savvy political leaders and the number of their followers

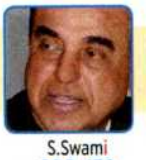
Narendra Modi
2,662,001

Shashi Tharoor
1,950,125

Sushma Swaraj
744,272

Arvind Kejriwal
674,010

Omar Abdullah
371, 048



S.Swami
308,672

Milind Deora
103,741

even a team of professionals managing his social media strategy. Modi isn't an exception in the BJP. Overall, the BJP is ahead of the Congress in the social media race. Many BJP leaders communicate with party workers through BlackBerry messenger groups and WhatsApp. The party has a database management department that has data of its worker network. It also has an online payment gateway through which about 5,000 people donate money every month. "We have well-established systems and cadres, and a balanced understanding of the utility of the [digital] medium," says BJP General Secretary Muralidhar Rao. "We are now thinking how Modi can address different segments – professionals, housewives, etc – at the same time."

BJP supporters have also launched structured and cohesive attacks on social media against their opponents. For instance, tech entrepreneur Rajesh Jain runs a pro-BJP portal called *niticentral.com* (NITI stands for New Ideas to Transform India). BJP's Gupta says party workers and volunteers have been training to become "e-karyakartas". The party will unleash targeted text and video messages and mobile applications closer to the elections, he adds.

The Congress has been relatively slower in adopting social media, but it is working to close the gap. Congress supporters have launched *fekuexpress.com*, a portal designed to speak against Narendra Modi. The party is conducting social media workshops in all state capitals and in cities with a population of over one million. At a recent workshop in Patna nearly 500 volunteers showed up, while over 3,000 took part in a similar event in Kolkata.

Most of these volunteers are people with full-time jobs or businesses or are students. While some of these professionals are paid, most work pro-bono for the parties. Both the BJP and Congress are engaging a number of professionals – graphic designers, IT professionals, and communication experts – to execute their digital media strategies.

One such Congress volunteer is architect Rachit Seth. The 27-year-old was contacted by the party's communications team, led by Ajay Maken, a few months ago. Seth got noticed for his fan pages of Congress leaders and his blog, which highlights the party's achievements. "We are training state units and telling them how to respond to the opposition," he says. "The BJP is quite aggressive [on social media] but I think we are also being noticed now."

Suryanarayan Ganesh is another tech professional who conducts social media workshops for the Congress. Until about four years ago Ganesh, who lived in Sweden at the time, was one of the few people defending the Congress on social media. "BJP trolls have a huge manpower to trend something," he says. Trolls, in Internet parlance, are those who post inflammatory messages, start arguments or otherwise upset people.

Besides the BJP and the Congress, another party that is effectively using social media is the Aam Aadmi Party. The party owes its genesis to the India Against Corruption campaign of 2011. The movement galvanised middle-class

3 day program — **HI-IMPACT LEADERSHIP**
Blueprint for Success

- Lead successfully, communicate effectively, manage professionally, based on values and ethics
- Create a culture of trust and accountability
- Increase productivity and achieve more

Investment (per participant)
₹ 39,500 + ST = ₹ 44,382.00*
₹ 43,500 + ST = ₹ 48,877.00

2 day program — **GAIN AND RETAIN CUSTOMERS**
Grow by Mastering Selling Skills

- Convert 'NOs' into 'YESes'
- Overcome resistance, build trust and close more sales
- Learn to become an effective negotiator
- Increase Sales by identifying buying motives & selling opportunities
- Learn the do's and don'ts of professional selling

Investment (per participant)
₹ 29,500 + ST = ₹ 33,146.00*
₹ 33,500 + ST = ₹ 37,641.00

2 day program — **PUBLIC SPEAKING & PRESENTATION SKILLS**
Speak with Power, Poise & Pizzazz

- Face the audience with confidence
- Overcome stage fright and make powerful speeches and presentations
- Deliver impromptu speeches and think on your feet
- Handle Q & A's effectively
- Inspire, influence and get results

Investment (per participant)
₹ 80,000 + ST = ₹ 89,888.00*
₹ 88,000 + ST = ₹ 98,877.00

PROGRAM SCHEDULE FOR 2013 - 2014

City	Hi-Impact Leadership	Master Selling Skills	Public Speaking & Presentation Skills
Mumbai	18, 19, 20 Dec '13	21 & 22 Dec '13	23 & 24 Dec '13
Chennai	29, 30, 31 Jan '14	1 & 2 Feb '14	3 & 4 Feb '14
Bengaluru	9, 10, 11 Apr '14	12 & 13 Apr '14	14 & 15 Apr '14
Delhi	7, 8, 9 May '14	10 & 11 May '14	12 & 13 May '14

***Early bird benefit:** Investment prior to 12 days of schedule.
Corporate Savings: Enroll 5 Participants, get 6th complimentary
Enroll 15 paid participants, get 4 complimentary.
Attend all 3 programs and **Develop Leadership Excellence.**
investment (per participant) ₹ 1,55,000 (incl. taxes)

Register Now...
Call: 011 - 26148804, 098110 39316, 098110 39603, 098110 39945
Email: info@shivkhera.com | **Website:** www.shivkhera.com
www.facebook.com/shivkhera www.twitter.com/theshivkhera

people by asking them to give a missed call to register their support. This helped prepare a database of phone numbers that can be used to spread its messages. The party recently raised more than ₹20 lakh after its convener Arvind Kejriwal took part in a Google Hangout chat with non-resident Indians. "The party owes its survival to digital media," says Dilip Cherian, founding partner of Perfect Relations, who advised Kejriwal on managing public perception in the past. Cherian feels parties will set aside at least 20 per cent of their campaign budgets for digital media in 2014. "My advice is parties should target anyone above 15 years of age, because while they cannot vote yet, they are active on social media and are definitely influencers," he adds.

Milind Deora, Minister of State for Communications, IT and Shipping

"It (social media) allows for direct communication with the constituents"

What makes social media different from traditional forms of campaigning is that it is two-way communication. Unlike a print advertisement, for instance, social media allows the audience to talk back. It is cheaper, too. Deora feels social media is the closest to a public rally. "I love the medium for its interactivity," says Deora. "There is no intermediary. It allows direct communication with the constituents."

But, it cuts both ways. Social media, says a Congress leader, is like a "double-edged sword". Some politicians do not use digital media fearing their constituents can give them harsh feedbacks on a public platform. "I get terribly abused and trolled all the time," says Congress spokesperson Sanjay Jha. "I was very disappointed initially, but then I realised I have to learn to overcome that."

Digital media is empowering citizens to ask questions and demand answers. It is influencing opinions and pushing leaders to be transparent. Social media companies are also doing their bit to raise political awareness among people. Facebook has launched a "Register to Vote" initiative, while Twitter is offering a service where users can follow someone through a missed call or text message. So, will digital media be a game-changer in next year's elections? It could very well be. Just wait and watch. ◆

ADDITIONAL REPORTING BY SUNNY SEN

Send your comments to editor.bt@intoday.com

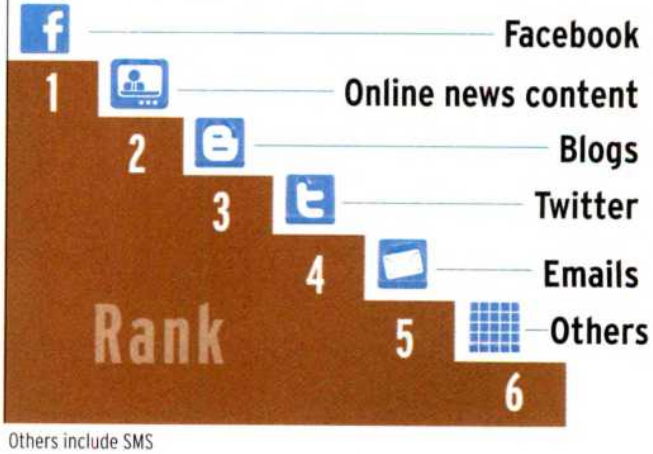
THE SOCIAL INFLUENCE

The main findings of a *Business Today*-MDRA survey on the impact of digital media on first-time voters

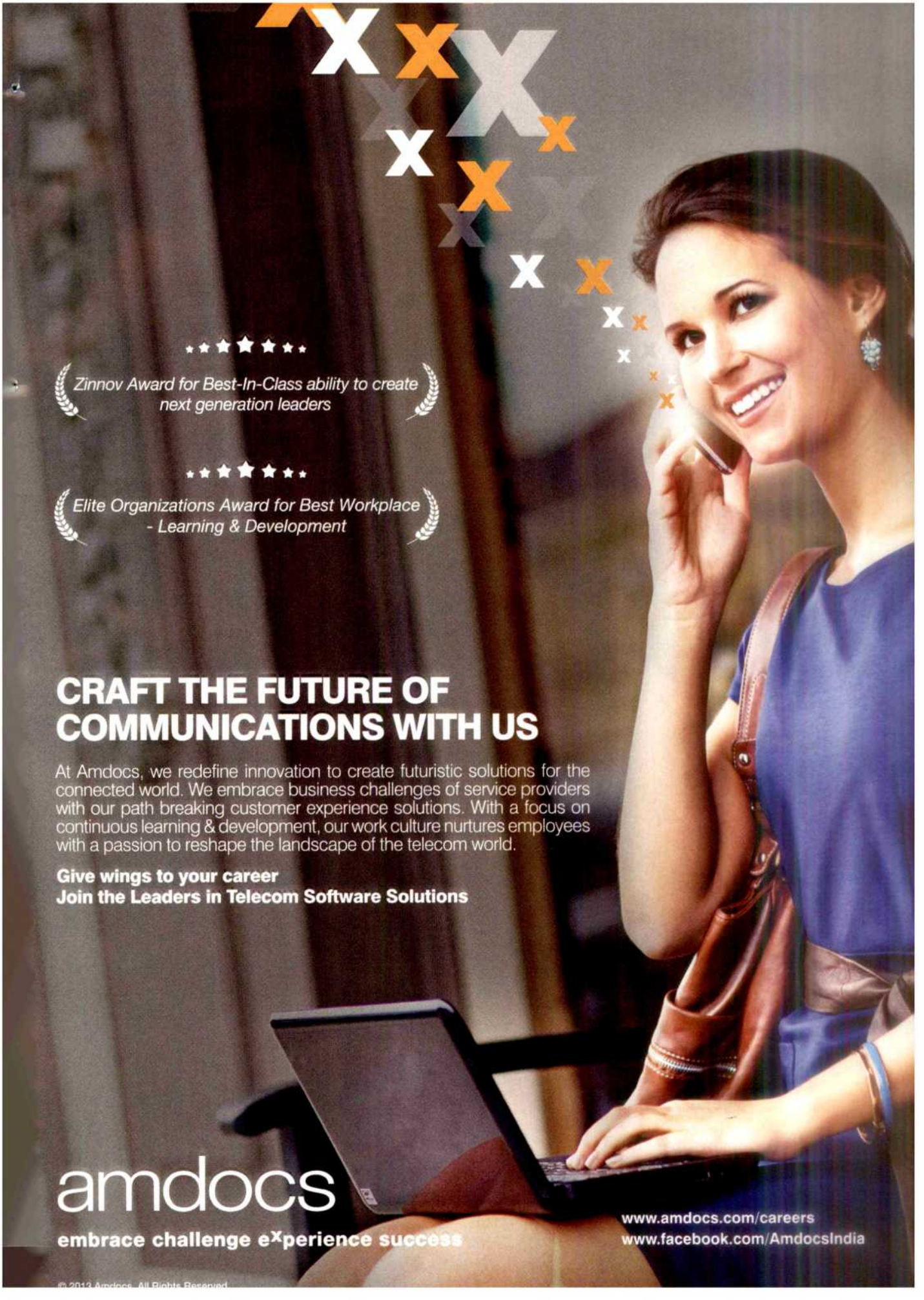
Are you following digital campaigns of political parties?

Figures in per cent

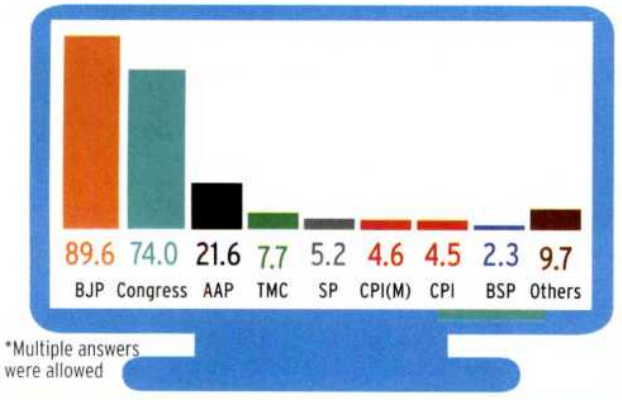
Which digital media platform do you use to keep track of political developments?



Others include SMS

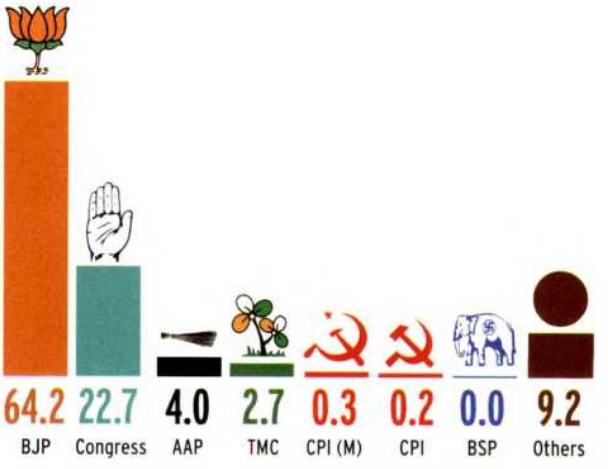

Zinnov Award for Best-In-Class ability to create next generation leaders
Elite Organizations Award for Best Workplace - Learning & Development
CRAFT THE FUTURE OF COMMUNICATIONS WITH US
At Amdocs, we redefine innovation to create futuristic solutions for the connected world. We embrace business challenges of service providers with our path breaking customer experience solutions. With a focus on continuous learning & development, our work culture nurtures employees with a passion to reshape the landscape of the telecom world.
Give wings to your career
Join the Leaders in Telecom Software Solutions
amdocs
embrace challenge eXperience success
www.amdocs.com/careers
www.facebook.com/AmdocsIndia
© 2013 Amdocs. All Rights Reserved

Which parties are digitally interactive?

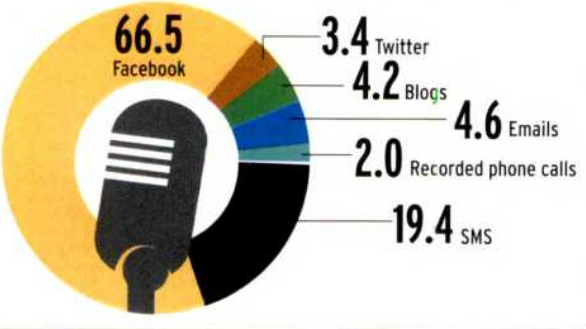


*Multiple answers were allowed

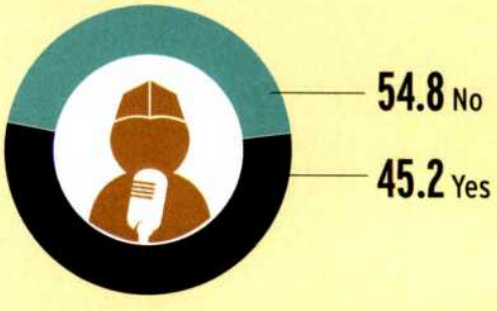
Which party is most visible digitally?



Which digital platform do you find the easiest for political communication?

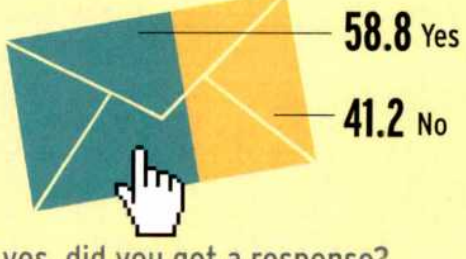


Do you follow political leaders on social media?



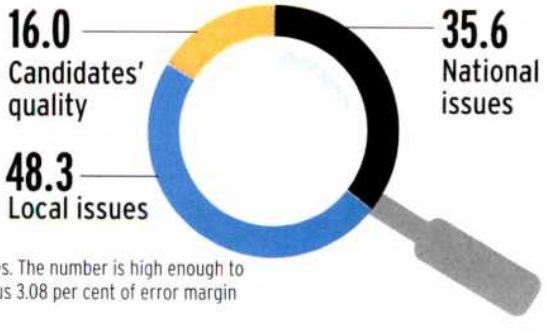
If yes, how many?

Have you ever posted a question or a comment to a politician on Facebook or Twitter or any other digital platform?

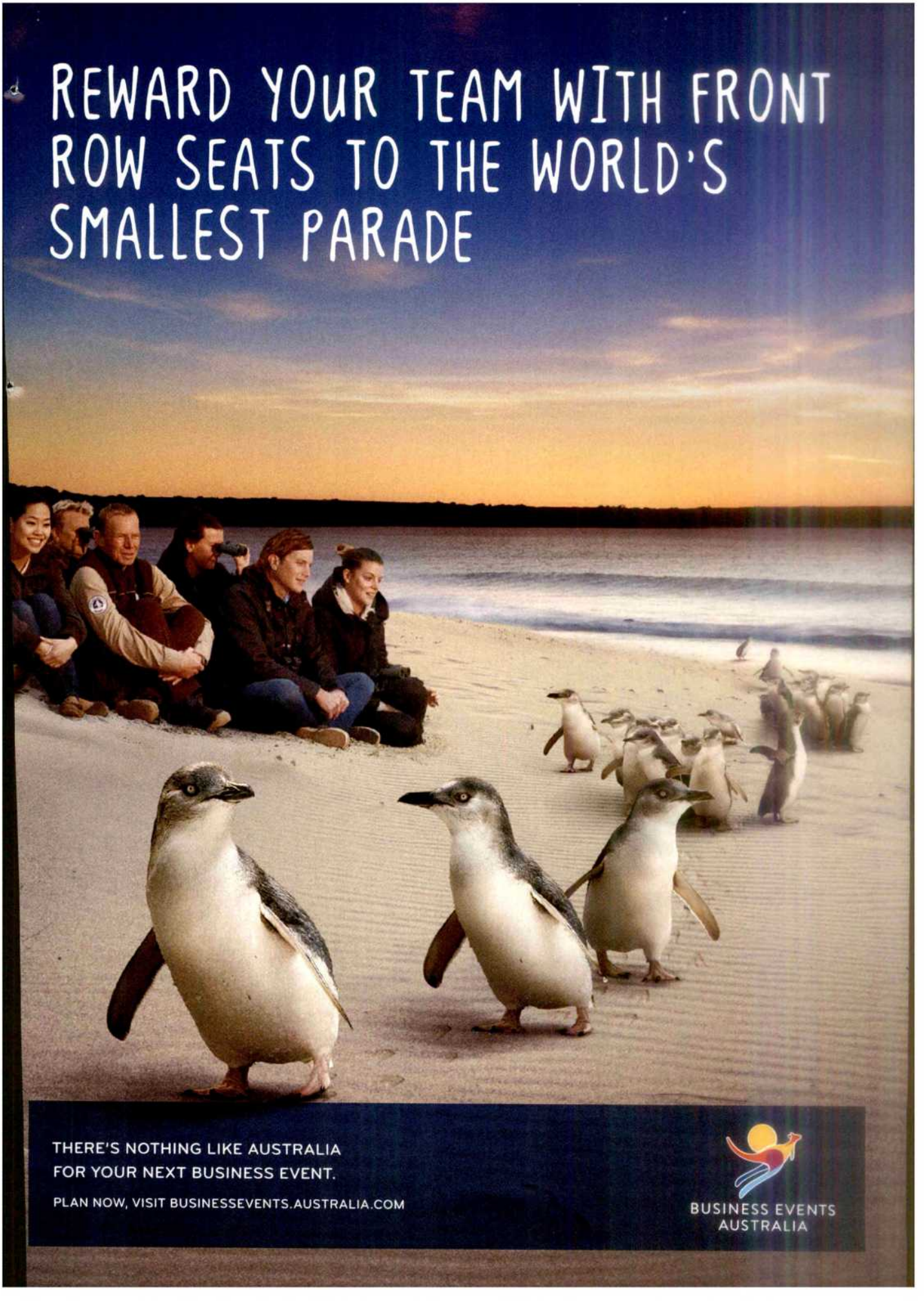


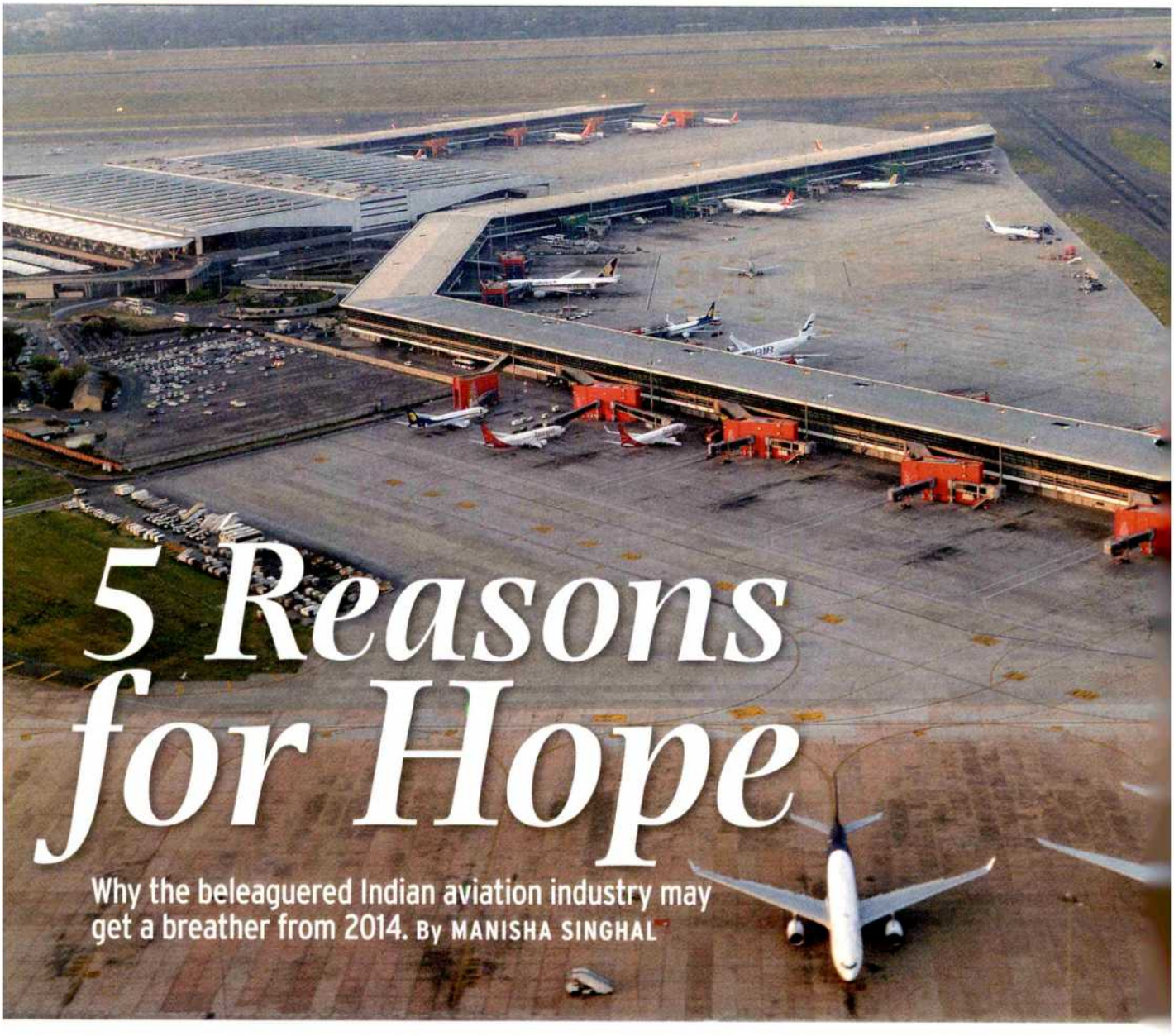
If yes, did you get a response?

What would you like political parties' digital strategy to focus on?



Figures in per cent. For the survey 1,010 respondents were randomly chosen across 12 cities. The number is high enough to minimise sampling errors. The confidence level of the survey is 95 per cent with plus/minus 3.08 per cent of error margin


REWARD YOUR TEAM WITH FRONT ROW SEATS TO THE WORLD'S SMALLEST PARADE
THERE'S NOTHING LIKE AUSTRALIA
FOR YOUR NEXT BUSINESS EVENT.
PLAN NOW, VISIT BUSINESSEVENTS.AUSTRALIA.COM
BUSINESS EVENTS
AUSTRALIA



5 Reasons for Hope

Why the beleaguered Indian aviation industry may get a breather from 2014. By MANISHA SINGHAL

These are strange times for aviation in India. In February 2013, salt-to-software conglomerate Tata Group tied up with Malaysian budget airline AirAsia. A few months later, the Foreign Investment Promotion Board swiftly cleared the group's partnership venture with Singapore International Airlines (SIA) to start a full-service airline in India by mid-2014. But these events stood out against a gloomy backdrop. The clearance for the SIA deal came just two days after the country's second largest private airline, Jet Airways, announced its biggest ever quarter loss (₹891 crore) for the second quarter of 2013/14. Consultancy Centre for Asia Pacific Aviation (CAPA) estimates that Indian airlines collectively lost more than ₹3,000 crore in that quarter. Between 2007 and 2013, they lost ₹53,648 crore, and losses for 2012/13 are pegged at ₹10,429 crore.

But Kapil Kaul, CEO of aviation consultancy CAPA (India and the Middle East), says the tide will turn in 12 to 18 months. "Post 2014/15, the industry will see a better operating environment and will return to sustainable growth," he says.

That may seem hard to believe when the industry is grappling with high aviation turbine fuel (ATF) prices – oil prices have hovered around their peak of $110 a barrel – as also slack demand and rupee depreciation. The last is especially painful for a business in which 75 per cent of

SHEKHAR GHOSH/www.indiatodayimages.com

costs are dollar-denominated. All these issues have led to softening of yields per seat, an important measure of an airline's health. For Jet, yields for the second quarter dropped 11 per cent to ₹7,376 from ₹8,335 in the corresponding quarter of the previous year.

Airlines are resorting to short-term borrowings to fund losses. Trade payables for large airlines such as Jet and Air India have shot up. CAPA notes that industry debt rose eight to nine per cent in 2012/13 to $14.5 billion, in addition to $2 billion of vendor-related liabilities, with an average cash position of just $500-550 million. It also notes that a major contributor to overall debt are the losses that have piled up since 2007, and are close to $9.5 billion as on March 31, 2013, eroding airlines' net worth.

As airlines default on dues, airport revenues suffer. A report by India Ratings & Research, a Fitch Group company, notes that the number of domestic flights landing at major government-run airports in Ahmedabad, Chennai, Goa and Kolkata declined 5.27 per cent year-on-year to 22.97 million in 2012/13. Airports make their revenues per landing, so fewer landings means less revenue.

Here are five reasons why things could get better starting next year.

1. Jet's Debt

In 2014, Jet Airways is likely to see the benefits of its partnership with Abu Dhabi-based Etihad, which would infuse $600 million in equity into the Indian carrier (pending clearance from the Competition Commission of India). If that happens, Jet will be able to strengthen its balance sheet and focus on fleet expansion.

Ravi Shankar G., the airline's Chief Financial Officer, said in an earnings call in October that the deal, for which Jet expects the last remaining clearance within the third quarter, would allow it to "derive huge cost benefits rising out of cost synergies and commercial cooperation".

It would help Jet restructure its $1.9-billion debt. "We will raise $300 million in ECBs soon, half of which will be through Etihad's banking relationships," he said. This would help Jet clear a chunk of its debt, he added. From a stronger position, the CAPA report notes, the airline could place fresh orders with Boeing or Airbus for 100 aircraft.

The deal would also enable Jet to cover 23 more Indian cities, strengthen its US services, and start flights to destinations in Africa and West Asia.

2. Air India's Plans

The other large full-service airline, Air India, is also optimistic. The carrier, which accounts for 60 per cent (₹40,000 crore) of the industry's debt and two-thirds of its losses, turned cash-positive in the first quarter of this financial year and cut its debt by over ₹3,000 crore.

"The budgeted loss for 2013/14 is ₹3,900 crore, but the airline hopes to be EBITDA-positive by ₹1,040 crore," says an Air India executive on condition of anonymity (EBITDA is earnings before interest, tax, depreciation and amortisation). The promised ₹3,574-crore equity support by the government for this year has been deferred. Air India has tied up with public-sector banks for funds backed by government guarantees to raise money from the market, he adds.

The carrier plans to join a global airline alliance, which would boost revenues. It is also likely to benefit from creating two subsidiaries – Air India Transport Services, a ground handling company, and Air India Engineering Services – which would become functional

in 2014. It would become leaner by deputing some 13,000 employees to these subsidiaries and cut its wage bill of over ₹3,000 crore by half.

The issue of privatising Air India is likely to be on the agenda of the successor of current civil aviation minister Ajit Singh. "The group of officers in 2011 who prepared the report on restructuring had recommended that when Air India becomes cash-positive in 2016, the induction of a strategic partner may be considered," remarked a senior Air India official. The carrier recently turned cash-positive, but it will be a while before it consistently shows profits.

By adding Dreamliners to its fleet and reaching milestones essential for its turnaround, Air India is likely to cut losses substantially, as the aircraft will help make some routes more viable.

induction of Airbus A320neos and more Boeing aircraft.

GoAir has appointed investment bank JP Morgan to scout for an investor. There have been reports that it is in talks with Japanese carrier ANA, and Germany's Lufthansa, although both foreign carriers have denied this. GoAir's size, its order for 72 Airbus A320neos, its strong presence in the Mumbai-Delhi sector, and the likelihood that the government will ease the 20-aircraft minimum could all make it easier for GoAir to go international. They also make it a good target for investment and provide the necessary equity base for growth.

4. The Tata Effect

The Indian aviation market will see two new airlines launching operations in 2014 – the Tata-SIA full-service airline, and AirAsia India, a budget carrier. An

Frightening Financials

All the major airlines are struggling with huge losses...

Source CAPA Note: CAPA has estimated FY13 financials for unlisted carriers

3. More Strategic Tie-ups?

Airlines are likely to have more stable cash flows if carriers such as GoAir and SpiceJet, in talks with foreign carriers, enter strategic partnerships in India. If they fail to attract capital, says Amber Dubey, Partner and aviation head at consultancy KPMG, "the sector will go through another phase of consolidation by the end of 2014".

SpiceJet, which got its strategy right with regional expansion and off-beat destinations such as Kabul, Afghanistan, and Guangzhou, China, is struggling due to lack of leadership after CEO Neil Mills quit in July. According to industry estimates, the airline is expected to post a record loss for the second quarter of this financial year. On March 31, 2013, its debt was ₹1,802 crore.

But it could bounce back if cash flow issues are fixed soon. CAPA expects that SpiceJet will get a new investor, possibly a foreign airline, soon. This would transform its fleet plans beyond 2017 – it would be able to consider

official with a private airline, who does not want to be identified, says: "The new players with strong promoters and expertise will change the landscape of Indian aviation. The Tatas coming into the sector will give Indian aviation much-needed credibility that has gone down because of airlines like Kingfisher."

Sharat Dhall, President of Yatra.com, predicts stronger players in the future in the industry. "Because of the efficiency that these players will bring, fares will be pushed down," he says.

According to industry estimates, Indian carriers are likely to see an infusion of $1.3 billion by 2015, and major international players, such as Qatar Airways and Turkish Airlines, are showing interest in investing in Indian carriers.

CAPA notes that joint ventures such as the Tata deals with AirAsia and SIA are likely to pave the way for more greenfield investment, to "avoid legacy issues and ensure

Profits are not only
calculated in boardrooms,
but also in the wellbeing of employees.
At Al Jazeera, we put people at the heart of journalism. We believe every story has a human side which deserves to be told. We go beyond cold facts and bring to light what really matters.
ALJAZEERA
Every story has a human side
Watch on Dishtv ch. 618 & Tata Sky ch. 518
www.aljazeera.com

that they can establish low costs of operation". After 2014, the new Tata ventures are likely to stabilise and consider expansion.

5. More and Better Airports

CAPA says it expects an airport modernisation push starting 2014. It says in its May 2013 report titled *India Aviation in 2013/2014: Seismic Changes Ahead in Domestic and International Markets*: "Satellite based navigation (to be launched in 2014 and likely to get certification by November) and flexible use of airspace (agreed recently) that will allow direct routings are two initiatives which will be very important in reducing airline operating costs and carbon emissions through lower fuel consumption."

The 12th five-year plan (2012-2017) envisages investment of $12.1 billion in airports, of which $9.3 billion is expected to come from the private sector. Indian airports were privatised in 2006. Now that the first phase of public-private partnership projects for upgrade and modernisation in Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Mumbai is over, an increase in activity levels is likely.

"As a trend, airport infrastructure basics and finances are sound across the Southeast Asian region," says V.P. Agrawal, Chairman of the Airports Authority of India (AAI), which runs 85 airports in India. He says AAI has sought ₹2,500 crore as capital expenditure for airport expansion, and is making a list of 50 airports in states such as Andhra Pradesh, Orissa and Uttar Pradesh.

Agrawal says it is not enough to strengthen 'hub' airports in metros – 'spoke' airports in smaller towns need to be strengthened as well. "The key will be the addition of smaller planes – 50- to 70-seaters and also 20- to 40-seaters – for providing connectivity to smaller towns where traffic continues to grow," he says.

Apart from managing 85 airports (some with private players), AAI is looking to develop five new ones, and is inviting bids for management and operation of airports in Jaipur, Bikaner and a few other cities. Nearly 40 per cent of the airline capacity today is deployed on the metro routes. "With adequate infrastructure, and more airlines coming in with the right kind of aircraft, small airports are likely to generate good revenues," he says.

... And Then Some

Besides the above factors, there are a few more that could help aviation revive after 2014. "A changed economic outlook is the first," says Kaul of CAPA. "Over the next 10 months, growth is projected to return to eight per cent, reviving travel activity."

Other factors could be more flexible use of airspace, better technology as airlines get fuel-efficient Boeing 737 MAX and Airbus A320neo aircraft in 2016, a focus on augmenting ancillary revenues, and a nationwide push towards rationalising the tax on ATF. K.N. Babu, CEO of regional airline Air Costa, says: "The government has promised reforms, and we hope they keep the promise for regional airlines, especially ATF tax reforms." Air Costa, based in Vijaywada, Andhra Pradesh, was launched in July – the first new regional airline in seven years.

On the government front, Indian airlines could benefit from the proposal to replace aviation regulator Directorate General of Civil Aviation with an independent Civil Aviation Authority, the government letting foreign airlines add more flights, and the easing of norms for domestic airlines to go international. At present, an airline must have 20 aircraft and complete five years of domestic flying before it can start international services.

"Aviation has the ingredients to be successful now," says an aviation consultant with an international firm who does not want to be named. "The government and airlines need to execute it properly and follow it up with structures on the ground." ◆

Frightening Financials

...with the exception of IndiGo

Source CAPA Note: CAPA has estimated FY13 financials for unlisted carriers

This festive season,
make sure your walls leave
a lasting Impression.
The Impressions range from Nerolac gives an elegant &
luxurious finish while its zero VOC* content ensures freedom
from smell & from health hazards.
NEROLAC
THY HOME PAINTS
RESSIONS
Brighten up your home with beautiful
walls and a stunning decor with Nerolac's
Welcome Home Happiness DVD.
JUST SMS HOME TO 56070
TO GET YOUR FREE COPY.
NEROLAC
IMPRESSIONS
ECO CLEAN
NEROLAC
IMPRESSIONS
24 CARAT

Fireflies Caught in a Logjam

Without second-generation reforms and a drastic overhaul of its institutions, India is condemned to mediocre income and growth.

By CHAITANYA KALBAG

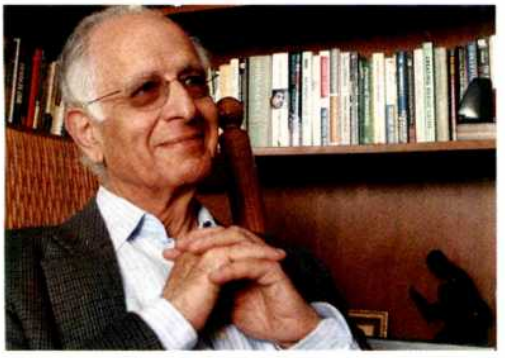
As befits an ancient land, India is not bereft of clairvoyants.

Three times over the past decade some of our best economists, managers, bureaucrats, industrialists, politicians and private citizens put their brains together and came up with differing scenarios for India's economic and political future.

Every time the intention was to present policymakers with a best-case route map to the India we wanted by 2050 – the world's third-biggest economy, an "emerged" economy with fairly high per capita income, a responsive political system, a good business environment, high performance, and low corruption.

In 2000 Arun Maira, now a member of the Planning Commission, and the Confederation of Indian Industry (CII) published four scenarios of what India might look like in economic development. The most optimistic was *Fireflies Rising*, where millions of enterprises and initiatives lit up the nation's future. Then there were *Buffaloes Wallowing (While Children Are Waiting)*, where top-down progress pushes impatient youth to the sidelines; *Peacocks Strutting (While Little Birds are Scrambling)*, where more people are getting richer but many do not have market access; and *Wolves (and Tigers) Prowling*, where inefficiencies in government schemes are coupled with corruption and crony capitalism. It is not very difficult to see where we are today.

In 2005 Maira again worked with the CII and the World Economic Forum (WEF) to publish *India and the World: Scenarios to 2025*. Economic forecasters in Britain and India then worked together to estimate growth prospects for India under three scenarios: *Atakta Bharat* (or Hampered



Arun Maira, Member, Planning Commission

"Our approach to inclusion is about handouts in food, jobs, and education. What it should be about is creating a whole ecosystem that will create more enterprises and jobs"

India) where growth is hampered by systemic inefficiencies; *Bollyworld*, where growth will spurt to nine per cent for a while but fall back in a blaze of short-lived glamour and violence; and *Pahale India* or India First, where, like the fireflies, GDP growth would cross 10 per cent. *Atakta Bharat* foresaw GDP growth declining to six or seven per cent.

Realising the Worst

Unerringly, and unnervingly, our political system and bureaucracy have combined to ensure that the worst-case scenario will come to pass. Why are we so good at achieving so little?

India now ranks 60th out of 148 economies in the WEF's Global Competitiveness Index. Its rank has declined continually since 2009. India slipped three places to 134th in the World Bank's Doing Business 2014 rankings of 189 countries, behind Bangladesh, Bosnia, Uganda and Yemen. Both its strategically important neighbours, China (96) and Pakistan (110) did better.

The finance ministry and the central bank have been sounding more and more helpless as the economy continues to slide, under the baleful shadow of high inflation, towards a "lasting growth collapse".

"High persistent inflation is inimical to growth. [Consumer Price Index] inflation ... has averaged 9.5 per cent for the last six years and the headline [Wholesale Price Index] inflation has averaged 8.6 per cent during the last three years. Such high inflation eroded real consumption, lowered savings, caused financial disintermediation, widened the current account gap and placed additional pressures for subsidised safety nets for the vulnerable population," the RBI said in its policy review on October 29 as it ratcheted its GDP growth forecast for 2013/14 down to five per cent, the same as last year.

RAJ VERMA

... There are wolves (and tigers) prowling, where inefficiencies in government schemes are coupled with corruption and crony capitalism

Is there a route-map out of this quagmire?

The Twelfth Five Year Plan was supposed to draw just such a blueprint for growth. It was drafted after unprecedented 'inclusion'. Regional meetings were held with groups of chief ministers. Social media were used to increase public discussion, including a Google Hangout that was also televised. More than one thousand students and professionals met in 10 locations to 'hack' the Plan so its messages could be communicated better nationwide.

The Plan was trumpeted as a new way forward. Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission, said the 'good' outcome was conditional on following the right policies at the Centre as well as the states. "There are many areas where action lies entirely in the domain of the states," he said in emailed comments, adding that this was the first Plan that does not focus on a single growth projection but on three different scenarios.

Nitin Desai, Eminent economist

"Even when we have a road map there are too many back-seat drivers telling you to move right, move left. And in a very open democratic system there are not one but many back-seat drivers"

The Flotillas Set Out

In July 2012, a group led by Maira within the Planning Commission published three 'flotilla' scenarios: *Muddling Along (Insufficient Action)*, *Falling Apart (Policy Logjam)* and *The Flotilla Advances (Strong, Inclusive Growth)*. In each scenario a large collection of ships tries to move ahead purposefully, led by a 'commodore', the elected prime minister. We seem to squarely fit the Policy Logjam scenario, where the document says: "A flotilla of ships is trying to sail together, but ships keep colliding with each other. The ships do not communicate enough. Consequently, ships often sail off in different directions. The flagship is spending too much time just getting the flotilla back together, leaving little time to coordinate future directions."

The National Council for Applied Economic Research was tasked to use these scenarios and come up with growth projections. Its modeling threw up specific numbers: the *Flotilla Advances* scenario would see average GDP growth of 7.8 per cent during the 2012-17 Plan period; *Muddling Along* would see growth averaging six per cent; and in *Policy Logjam*, the average would drop to just 4.8 per cent. GDP growth rate would decline across all sectors because of significant fall of investment (both private and public), and a rising fiscal deficit. "The country will enter the 'low-middle income growth trap'. The results also show high fiscal and current account deficits, which are unsustainable as the debt levels would rise leading to greater debt servicing burden," the scenario document, titled *Shaping India's Future*, said.

Atakta Bharat (Hampered India) is a scenario where growth is hampered by systemic inefficiencies

Ahluwalia was not so pessimistic, saying: "The fact that growth in the first two years is close to our low end projection does not mean that the policy logjam scenario is coming true. The low growth in the initial years reflects the fact the world growth has been very low."

Ahluwalia also noted that the Eurozone had negative growth in these years. Even China slowed down considerably. But he adds: "I must emphasise that the deceleration is not entirely due to global factors. Domestic constraints have arisen which are holding up implementation of large infrastructure projects. This problem needs to be addressed."

Very simply, those 'domestic constraints' lie in our institutions and administration. Both are not equipped to manage a 21st-century economy. "Do remember in the scenarios it says the condition of the institutions is creating the logjam. People don't trust these institutions," says Maira, a former India head of the Boston Consulting Group.

China Gets It

Maira notes that in China, which also lives by five-year economic plans, administrators and institutions are subjected to a performance audit that coincides with each new plan. Bureaucrats' promotions depend on how they did over the previous five years. In India, in depressing contrast, we have had only two Administrative Reforms Commissions in our 66-year history. The second one, constituted in 2006 under the leadership of Veerappa

Moily, delivered its 15th and final report in April 2009 – just before the Congress-led United Progressive Alliance won a comfortable second five-year term. It ought to have been a fortuitous coincidence, a blueprint for action for UPA-II.

The trouble is that nothing much has happened after the Moily ARC reports were submitted. Its recommendations were approved by the cabinet. However, "Many of the recommendations have not percolated into the administration," Moily told *Business Today*. What was blocking the reforms? "The bureaucracy," he said. "We should really have a five-year plan for governance and technology – technology changes so fast."

But was that the only hitch? "The political will is missing," Moily admitted rather sheepishly.

Ajay Chhibber, a Stanford-trained economist who took over in mid-August as the Director General of the newly-created Independent Evaluation Office, should know the difference between China and India. Chhibber was previously the Assistant Secretary General and Regional Director for Asia and the Pacific of the United Nations Development Programme.

Chhibber points out that around 1995, about 15 years after China launched its economic reforms, Premier Zhu Rongji launched major reforms of government and bureaucracy. "He carried out second-generation reforms... He realised that the government he had was not suited for a modern economy and was actually holding back China's growth." If you take a 15-year view, UPA-II was perfectly placed to implement the Moily ARC recommendations. Its second term would have been a springboard for sustained high growth. Instead, "it was parked away and shelved," Chhibber says. "The opportunity was lost."

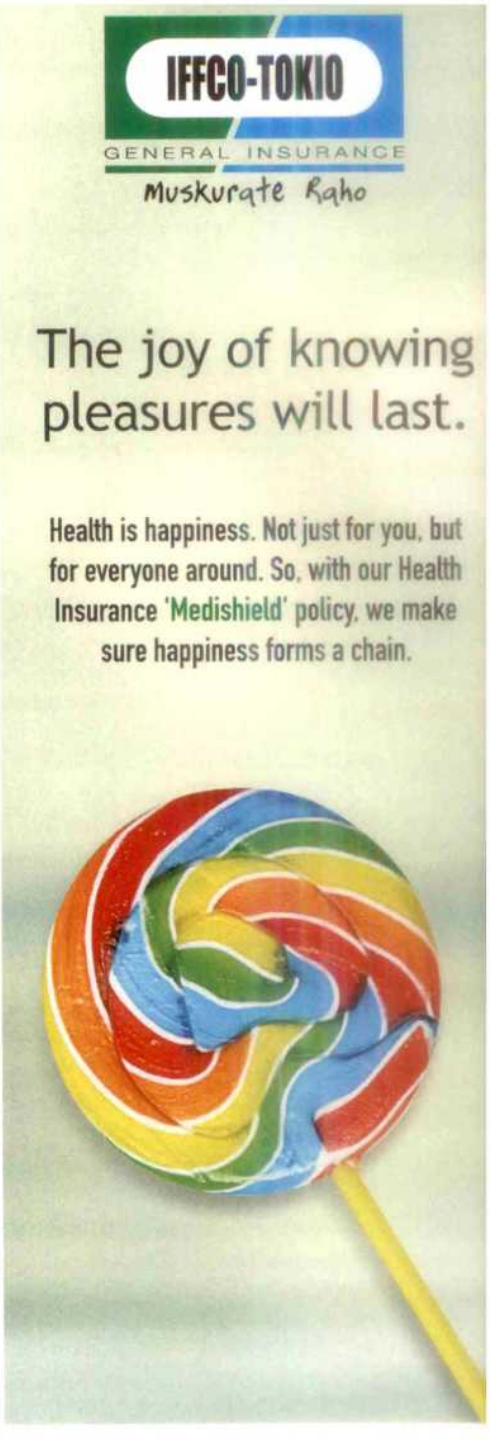
The tools for change were available. For four years now, Prajapati Trivedi has headed the government's Performance Management apparatus. Results-Framework Documents (RFDs) have been drafted to evaluate a host of ministries. But these performance reviews are not linked to promotions, or financial incentives (bonuses) – recommended by the Sixth, Fifth and Fourth Pay Commissions.

In contrast, 17 states have enthusiastically embraced performance reviews. Kerala has published two years of reviews, triggering widespread debate. Jammu & Kashmir Chief Minister Omar Abdullah has won praise for the speediest implementation.

The Rusting Steel Frame

In India, after you enter the central civil services through a tough examination, promotions are inevitable simply by being there. Many of our administrators lack the technical competence for crucial projects, unlike in China where bureaucrats spend a lifetime in one ministry. "Here they are shuffled like a deck of cards," Chhibber says. "No other country in Asia has a similar structure."

Change may finally be coming. On October 31, the Supreme Court ordered the Central and state governments to set up within three months, Civil Service Boards to advise administrations in transfers, postings and disciplinary action. "Fixed minimum tenure would not only enable civil servants to achieve their professional targets, but also help them to function as effective instruments of public policy.



Ajay Chhibber, DG, Independent Evaluation Office

"You think you can sit in Delhi and design these schemes, and expect them to be implemented uniformly across states and districts with such huge differences in capacity. I think it is absurd"

Repeated shuffling/transfer of the officers is deleterious to good governance," Justices K.S. Radhakrishnan and Pinaki Chandra Ghose wrote in their landmark ruling.

He also noted that Moily's ARC had recommended the setting up of an independent Central Civil Services Authority that would decide assignment of domains to officers, and fixing tenures.

Fresh out of the UN system, Chhibber can see these issues more clearly than most of us. What he sees is a country suffering from muscular dystrophy. "The head and arms and legs are not properly attached to one another. You design all these beautiful flagship programmes, but the implementation is at the state level," he says. "You think you can sit in Delhi in a country the size of Western Europe and design these schemes, expect them to be implemented uniformly across states and districts with such huge differences in capacity. I think it is absurd."

Ahluwalia, however, asserts that the 12th Plan built in unprecedented flexibility for central schemes. "There are many areas where action lies entirely in the domain of the states," he says.

Chhibber should be concerned. He has the unenviable task of auditing the government's big "flagship" schemes, like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) and the Sarva Shiksha Abhiyan (the universal education plan). He is going to start with the public distribution system (PDS). He has been guaranteed autonomy, and his reports will go directly to the prime minister, parliament, and the public.

We seem to squarely fit the Falling Apart (Policy Logjam) scenario, where a flotilla of ships is trying to sail together, but keep colliding with one another. The ships do not communicate enough. Ships often sail off in different directions. The flagship is spending too much time just getting the flotilla back together, leaving little time to coordinate future directions

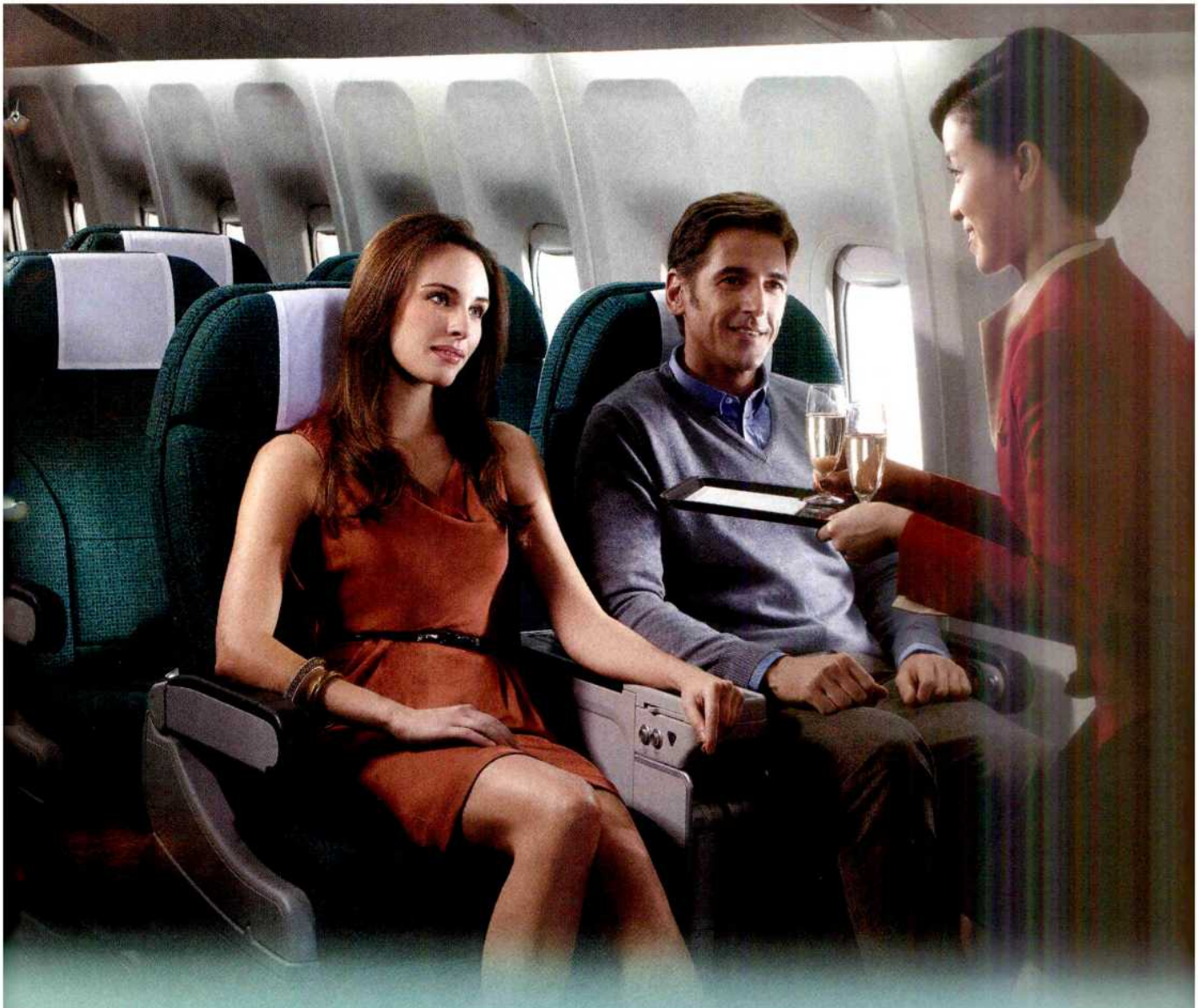
To put things in perspective, India spends a high four per cent of its GDP on subsidies. "The irony is that we became a welfare state before we became a developed state," says Chhibber.

Inclusion = Exclusion

Maira says there is a problem with our definition of inclusion. Our approach to inclusion is about handouts, in food, jobs, and education. What it should be about is creating a whole ecosystem that will create more enterprises and jobs. The capacity of public institutions is always limited, and political space is not an unlimited quantity.

Over the past 10 years, the central government has introduced more central schemes than all its predecessors put together. Telling the states "I am giving you the money, you have to spend it like this" will not work in education, healthcare, food or MNREGS, Maira says. Huge dams and Ultra Mega Power Projects require a large amount of land, capital, and a complex distribution system. "The world is coming to a model of more distributed production and management. Across the world people are concentrating on designs of platforms and networks that other people can plug into."

Urban development is a classic



Our new Premium Economy Class.

A welcome enhancement to the Economy Class experience.

CATHAY PACIFIC

Enjoy the privacy of a cosy cabin. Relax in the comfort of a wider seat. Work on a larger table with a USB port to keep your personal devices going. And smile at the many entertainment options on offer, including the ability to stream your own movies to your personal TV. Work, rest and play have all been enhanced for your pleasure. Experience our Premium Economy Class on flights from Delhi, Mumbai, Chennai and Hyderabad to Hong Kong and onward to North America, Australia and Japan. Please contact your local travel agent, call our toll-free number 1800 209 1616, or visit our website.

Share your experience and tag us with #CathayPacific

cathaypacific.in

oneworld

Asia Miles

DRAGONAIR

The new Premium Economy Class is being progressively introduced on our Boeing 777-300ER, Boeing 747-400, selected Airbus A330-300, Airbus A340-300 aircraft. Aircraft deployment varies and availability is subject to operational requirements.

Veerappa Moily, Minister, Petroleum & Natural Gas and Former Chairman,Administrative Reforms Commission

"We should really have a five-year plan for governance and technology – technology changes so fast"

example of our failure to connect and learn. The Urban Development ministry set up a system called PEARL (Peer Experience and Reflective Learning). It was a platform for cities to come together and learn who is the best among them at different things – managing water, waste, electricity, sanitation, public transportation. The cities met, learnt from one another, exchanged best practices, and voted for the best in each area.

Then, the joint secretary in charge of PEARL was transferred, and it is now limping along. Maira says the states are eager to learn and to run by themselves and want the Planning Commission to provide the platform. Instead, a lot of time is spent supervising the states. This is not about learning, this is about control and prescription.

Nitin Desai, a respected economist, former Chief Economic Adviser to the Finance Ministry and a former Under Secretary General of the United Nations, was one of the people who worked with Maira on the scenario-building.

"Basically the focus of the scenarios as they have emerged today is very much on alternative configurations of domestic forces, though they have reference to the external environment," Desai says.

But what is the point of scenarios if they do not become action plans?

Time for the Witch Doctor?

The scenarios are like diagnostic tests when you are ill – the medicine has to follow. Ahluwalia says since 75 per cent of the investment that takes place in the economy is private investment, the policy framework is obviously very important since it determines how people will act. But that is not entirely true. The Food Security Bill, for instance, is a huge central scheme that will require implementation across very diverse geographies and political landscapes.

"Even when we have a road map there are too many back-seat drivers telling you to move right, move left. And in a very open democratic system there are not one but many back-seat drivers perpetually telling the driver: '*Aisa nahin, right ko turn karo, aisa nahin left ko turn karo*'," Desai says.

He points to Manmohan Singh, who is buffeted by a myriad of forces. Apart from 10 Janpath, he has to contend with coalition partners as well as strong regional satraps. "Now this is a very sad thing for a professional planner to say, but in the end it is all *Bharata Bhagya Vidhata*."

Like Ahluwalia, Desai too is not overly pessimistic about the future. In many areas people's lives are improving. A qualitative change is taking place in the nature of administration at the state level. There is a much greater focus on results and performance. You see this in states like Gujarat, Madhya Pradesh, Chhattisgarh, and Bihar.

"There is a degree of urbanisation in rural areas that we are under-estimating. We are under-estimating that half the voters will be under 35, and of them nearly half will be post-1991, post-liberalisation," Desai says.

He thinks the back-seat driving may become a little easier: there will be greater coherence in political restraints on policy. Performance will count, not Yadav pressure groups or Dalit pressure groups or Muslim pressure groups. More people will focus on governance.

Clearly, India is on the cusp of a transition from a rural to an urban society, hopefully from being a society of little kids to a society of young adults. Will that mean greater maturity in the way we run our economy? Our prophets are primed and ready to see into the future; that future will be strong and robust and sustain one-fifth of humankind only if we get our fundamentals right. We have just about run out of scenarios. The real world is waiting. ◆

Send your comments to editor.bt@intoday.com

Celebrating 20 years

Check Mate!

Right Applicant, Right Position

We plan to source and recruit 32,000 associates during the financial year 2013 - 14

STOP WORRYING, START CELEBRATING

Temporary Staffing | Recruitments & RPO
Payroll Processing | Statutory Compliance Management
Background Check & Verification | HRMS and Payroll Software

Your company's growth is our main focus. Genius, HR Solutions endeavors to bring success to all leading organizations for the last 20 years. Not only a recruitment record of 24,075 associates during the financial year 2012-13, but maintaining a thorough background check of all candidates and managing the entire payroll system of large corporate houses, ensures your company's smooth flow. Belief and determination to excel has made us spread offices country wide. Switch us on and relax will make you perform just fine.

Genius

35,000 Outsourced Associates | Over 1 Lac Employment | 17 Offices
45,000 Backgroud Checks | Own PF Trust | Complete Online Management

E: enquiry@geniusconsultant.com | W: www.geniusconsultant.com

INDIA HOSTILE TO FOREIGN INVESTORS

Mohul Roy
PGP, IIM Kozhikode

AGREE

"India is faltering on economic potential and certainty of rules"

India has been attracting foreign investor interest since economic liberalisation. But matters have worsened recently with FDI flows down 29 per cent in 2012, FII flows dipping 36 per cent in 2013 and foreign players like Nokia threatening to exit.

Foreign investors look at two things while assessing investment destinations – economic potential and certainty of rules. On both, India is faltering. Weak growth, stubborn inflation, depreciating currency and a huge fiscal deficit (4.9 per cent in 2012/13) make the economy unattractive. On the policy front, the 2012 Budget brought in the General Anti-avoidance Rules with the potential to harass foreign investors. The same Budget tried to overturn the Supreme Court order which dismissed a $2.2-billion tax claim against Vodafone.

Although both issues were sorted out eventually, they gave an impression of unfair "shifting of goalposts", a strict no-no for foreign investors.While sectors like retail have been opened up, restrictive clauses and political opposition are making companies jittery. Simple deals like Vedanta's acquisition of Cairn have seen inordinate delays. Unless we address these and simplify policy, foreign investment will continue to suffer with attendant complications for the economy.

Rohit Ashwini Kumar
PGDM, IIM Calcutta

DISAGREE

"India is a growth-hungry nation that welcomes foreign capital"

Some would have us believe India is indeed a hostile place to invest, with risks outweighing the returns. Reality could not be more different.

Let's start with government policy. Following the prime minister's directive to unleash the "animal spirits" of the economy, the government has opened the doors to FDI in a multitude of sectors. It increased FDI caps in telecom, civil aviation and defence. It has eased norms for FDI in multi-brand retail and held its commitment to 100 per cent FDI in single-brand retail. Investments in many sectors where FDI cap is less than 50 per cent are now processed through the automatic route.Qualified foreign investors can now directly invest in mutual funds, equities and corporate bonds. Debt ceilings of FIIs have progressively been enhanced.

Some cite retrospective taxation laws and GAAR as anti-investor. While retrospective taxation dealt with a one-off case, GAAR has been a constructive law seeking to plug genuine loopholes in double tax-exemption treaties. Today, there is cross-party consensus that to eradicate poverty, vast social spending programmes are necessary. These will not be sustainable unless there is growth, which heavily relies on foreign capital.

Dear management students,
We have started a new forum, the B-school Debate, to highlight your views – the voices of students. We will carry it once a month discussing a significant business-/economy-related issue. We firmly believe we need fresh perspectives from bright young minds. The debate will also continue online on our website at *www.businesstoday.in/bschooldebate*. Post your views online to make this an intellectually stimulating endeavour. The best comment wins a year's subscription to *Business Today*.
Editor

Get more business for your business

Google AdWords

Let Google help you find new customers

Google AdWords allows you to be found online by customers who are searching for your products or services by displaying your ad on Google. Get ₹2,000 free advertising credit (when you spend ₹500) and try it out.

How does Google AdWords work?

Just choose the keywords that best describe your business and write a short ad text. Your ad will appear on Google when users search using those keywords, so it will only be shown to potential customers who are interested in your products or services.

What does it cost to advertise with Google AdWords?

With AdWords, you have full control over your advertising costs. There is no minimum contract term and you set your own budget. Also, you only pay when someone clicks on your ad.

How do I avail my ₹2,000 advertising credit?

- ✓ Call us toll-free on **1800-419-0918** (from Mon-Sat between 10am-6pm). Our Adwords experts will provide you with free help to create your first campaign.
- ✓ Go to **google.co.in/startadwords** and start your first campaign. Redeem your coupon by entering the promotional code in the billing tab of your Google AdWords account.

Call us now
1800-419-0918

This advertising credit will expire on 31st January '14. Terms and conditions apply and can be found on http://www.google.co.in/intl/en/adwords/coupons/terms.html

Google AdWords

CHANGING LANES

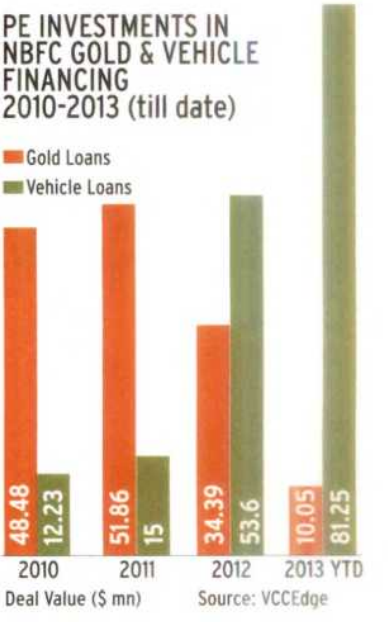
Among non-banking finance companies, vehicle financiers are now the new favourites of private equity firms, displacing gold loan entities.

By SARIKA MALHOTRA

Not so long ago, they were a hot favourite of private equity investors in India. With the Indian economy on a roll, most PE funds wanted to put their money in non-banking finance companies (NBFCs) specialising in gold loans. But, today, gold loan companies have lost their lustre because of a stricter regulatory environment and a volatile gold market, pushing funds to vehicle finance companies instead. And with the economy in a slowdown, exits from gold loan lenders have also become much harder.

Ask Sanjay Aggarwal about it. The first-generation entrepreneur's vehicle financing company, Au Financiers, has been a virtual PE magnet the past few years. It first hit the jackpot in 2008 when Motilal Oswal Private Equity invested ₹20 crore in the lender. Funds have been pouring in since. Oswal invested another ₹20 crore in the company in 2010 and International Finance Corporation (IFC) ₹35 Crore, followed by ₹150 crore by Warburg Pincus and ₹33 crore by IFC last year. ChrysCapital also invested ₹120 Crore in Au this year.

At the same time, the lender has also grown from strength to strength: Au's net worth has leapt to ₹500



crore from just ₹15 crore in 2008 while its valuation has galloped to ₹1,200 crore from ₹30 crore in the same period. For Motilal Oswal too, the investment was worth its weight in gold. A partial exit in 2012 is reported to have translated into a five-fold return on investment, while a further stake sale took its returns up 10 times.

Au Financiers is only one of a number of vehicle finance companies that have received PE funding in the past three years. Hinduja Leyland Finance, a leading vehicle financer that focuses on semi-urban and rural areas, has got $33.57 million from Everstone Capital and Shriram Credit Co received $15 million from Leapfrog Investments. Data from research firm VCCEdge shows private equity funds have pumped $81.25 million into vehicle lenders so far this year, higher than $53.6 million last year and $15 million in 2011. On the other hand, gold lenders have seen a dip in investments to $10.5 million so far this year from $34.39 million in 2012 and $ 51.86 million in 2011.

RACHIT GOSWAMI

"We believe in the business model of lending against income-generating assets such as commercial vehicle finance, as compared to businesses operating in consumption-based lending"

Dhanpal Jhaveri
CEO, Everstone Capital

The PE investments in vehicle finance companies have paid off. Since 2010, they have clocked exits worth $960 million compared to $83.47 million for gold loans. In one of the biggest exits of 2013, TPG pulled out of Shriram Transport Finance in two tranches for $306.8 million and $306.3 million.

Why have vehicle finance companies in particular been attracting more funding? Experts say they offer more stability than gold loan firms which are subject to business risks such as price fluctuations and quality of collateral. "Gold players have been hit by uniform valuation methodology for jewellery and operating model changes suggested by the RBI which requires them to seek permission to open new branches and disburse higher value loans through cheques," says Sanjay Doshi, Partner, Transaction Services, KPMG.

Dhanpal Jhaveri, Partner and CEO, Everstone Capital, shares the sentiment. "Within the gold NBFC space, RBI rules are getting stricter. Also, we believe in the business model of lending against income-generating assets such as commercial vehicle finance, as compared to businesses operating in consumption-based lending."

Vehicle loan companies get most of their business from semi-urban and rural areas. Most people in urban areas, looking to buy cars, go to banks for loans, but those seeking trucks, especially from smaller towns, prefer vehicle finance NBFCs. "They have good connect and trust of local customers, especially in Tier II, III, IV cities/locations, since there is limited attritionand rotation of relationship managers. Also, the regulatory requirements in relation to documentation and other loan appraisal and sanction requirements for NBFCs could be less stringent," says Hoshnar Kapadia, Director, Protiviti Consulting.

Not surprisingly, some NBFCs are expanding their footprint. For example, Magma Fincorp, which was queuing up for a banking licence, has acquired the auto lease business portfolio of Religare Finvest, a subsidiary of Religare Enterprises. And Shriram Transport Finance, one of the largest asset-financing NBFCs in India, recently entered the debt capital market with non-convertible debentures.

Warburg Pincus Managing Director Vishal Mahadevia says that financial services will remain an important sector for the fund. "The demand for NBFCs is getting bigger. Given the number of unbanked population in the country, the need for providing low-cost credit is imperative and within the space, commercial vehicle financing holds special traction." ◆

Send your comments to editor.bt@intoday.com

RELIANCE
Mutual Fund

Get›Set›Invest
An Investor Education and Awareness Initiative by
Reliance Mutual Fund

DIVERSIFY YOUR WEALTH INTO LIQUID, EQUITY AND DEBT ASSET CLASS WITH MUTUAL FUNDS.

Investing in Mutual Funds allows you to distribute your wealth across various asset classes viz. Liquid, Equity and Debt.

Give a missed call on 022 33598553 | Visit www.reliancemutual.com

Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.

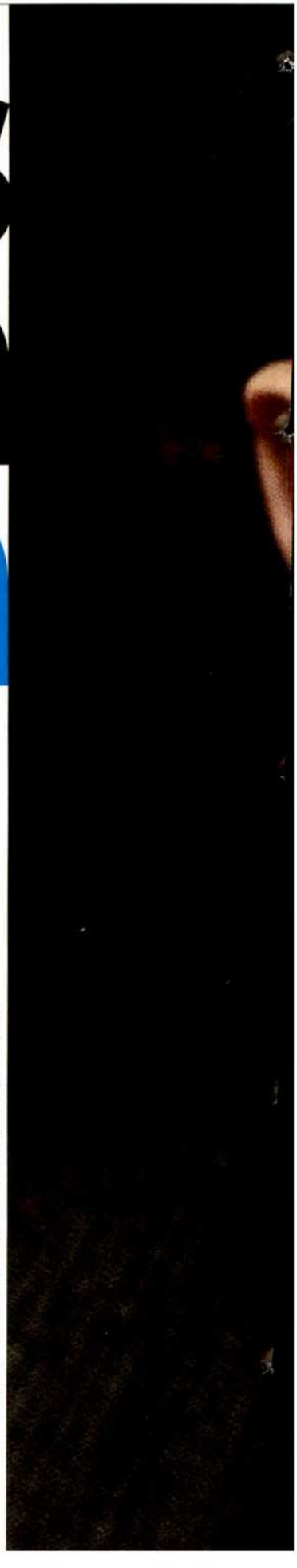
His Own Man

In his jam-packed first two months on Mint Road, Reserve Bank of India **Governor Raghuram Rajan** has quietly asserted his autonomy.

By ANAND ADHIKARI

If you can keep your head when all about you
Are losing theirs and blaming it on you;
If you can trust yourself when all men doubt you,
But make allowance for their doubting too:
If you can wait and not be tired by waiting,
Or being lied about, don't deal in lies,
Or being hated don't give way to hating,
And yet don't look too good, nor talk too wise
– From "If", a poem by Rudyard Kipling

Raghuram Govind Rajan cited excerpts from this famous poem by the acclaimed English writer on September 4, the day he took over as the 23rd governor of the Reserve Bank of India (RBI). The poem, he said, lists the requirements of an ideal central banker. Rajan's reference to the poem in his



SHEKHAR GHOSH/www.indiatodayimages.com

The common goal [of the RBI and government] is growth with low inflation. But our view of the time frame in which we will achieve that and the necessities for that step can be different from that of the government

THE MAN IN THE HOT SEAT

Did a summer internship at Citibank and also worked for the Tatas briefly

His report on Indian states has been making waves

Predicted the 2008 economic meltdown three years before it struck the world

A US green card holder; wishes to renew his work permit again

The job at hand – **tame inflation, reduce interest rates and spur growth**

Loves physical games like cricket, badminton and squash, but not mental games such as chess

In the 1980s, Rajan first appeared on TV with some classmates for a quiz show on Doordarshan

Wrote **'Fault Lines – How hidden fractures still threaten the world economy'** *and Co-authored 'Saving capitalism from capitalists' with Luigi Zingales*

maiden speech offers a glimpse into his mind – the mind of someone who is determined to do the right thing and not be cowed by criticism.

Whatever doubts remained about Rajan's stoutly independent nature evaporated into the air when *Business Today* met him at the RBI headquarters on South Mumbai's Shahid Bhagat Singh Marg after he announced the second-quarter monetary policy review. Sitting comfortably in the 18th floor visitors' room, filled with portraits of previous RBI governors (his predecessor Duvvuri Subbarao's portrait has yet to be made), he wasted no time in asserting his autonomy. "Did you get a brief?" we ask, hoping to provoke Rajan, who has been handpicked for the job by Finance Minister P. Chidambaram, into saying something newsworthy. "Brief? From?" he shoots back with a stony face.

No doubt, Rajan, who used to be Chidambaram's chief economic advisor, has the government's confidence. But relations between the RBI and the government have often been fraught with tension. Benegal Rama Rau, the fourth RBI governor, resigned abruptly in January 1957 due to differences with the then finance minister T.T. Krishnamachari. Even Subbarao shared an uneasy relationship with the finance ministry. Last year, Chidambaram famously said he would "walk alone" to revive economic growth if the RBI didn't offer any support. And Subbarao took a dig at Chidambaram days before demitting office. "I do hope Finance Minister Chidambaram will one day say, 'I am often frustrated by the Reserve Bank, so frustrated that I want to go for a walk, even if I have to walk alone. But thank God, the Reserve Bank exists'," he said in August.

Expectations are high that Rajan will bridge the chasm between North Block, the seat of the finance ministry in New Delhi, and Mint Road, which houses the RBI in Mumbai. Rajan dismisses these chasm theories. He says the fact that Subbarao disagreed with his political masters shows the autonomy the central bank enjoys. Does that mean the RBI never listens to the finance ministry? "Of course not. You listen and accommodate [the government's views] where necessary. Where you think

THE FIRST 60 DAYS

Rajan's main initiatives so far

Stabilised Indian rupee against the US dollar

Reduced short-term interest rates by withdrawing earlier exceptional measure to reduce forex volatility

Completely freed branch licensing

Talked about permitting foreign banks to acquire local lenders with riders

Attracted $12 bn via swap facility of dollar deposits

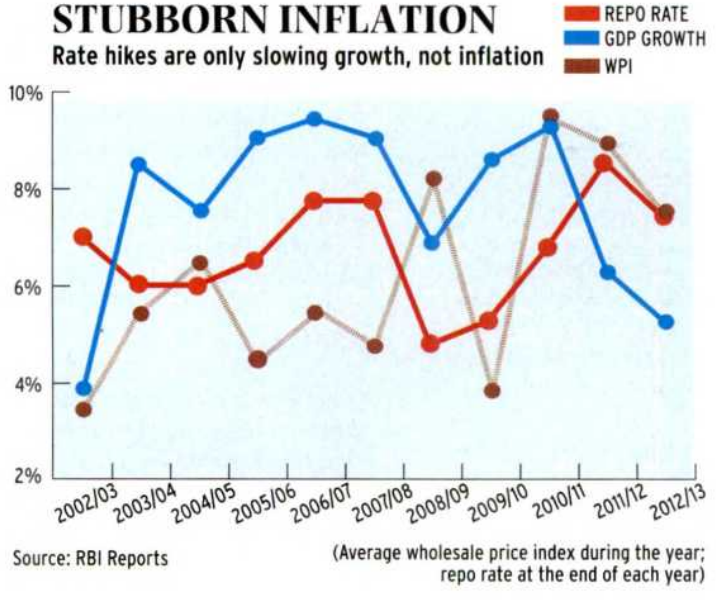
Relaxed forex hedging limits for exporters/importers to rebook cancelled forward contracts

you are on a different path, you try and distance yourself or you try and convince the other," he says.

Inflation Hawk?

In his first two months in office, Rajan has asserted his independence. Although the government would have preferred a reduction in interest rates to boost the slowing economy, Rajan has instead raised the main lending rate twice to tame inflationary expectations. The repo rate, at which the RBI lends money to banks, now stands at 7.75 per cent from 7.25 per cent before he took over. Markets have branded him, like Subbarao, an inflation hawk.

Subbarao increased the repo rate a record 13 times, from 4.75 per cent to 8.5 per cent, between March 2010 and October 2011. Inflation still remains high – headline inflation based on wholesale prices has averaged 8.6 per cent in the past three years (see *Stubborn Inflation*). And growth has



slumped. The Indian economy expanded five per cent in 2012/13, the slowest pace in a decade. Rate hikes are, of course, not the only reason for slowing growth. Supply-side bottlenecks and the government's failure to take reform measures are responsible as well.

So, is Rajan really the inflation hawk he is made out to be?

On leave from his tenure as professor of finance at the University of Chicago, Rajan believes low inflation is a prerequisite for long-term sustainable growth. The battle against inflation is not the RBI's alone, he emphasises. "This fight is for everybody. Not just us, not just the government, but also the private sector," says Rajan. "The common goal [of the RBI and the government] is growth with low inflation. But our view of the time frame in which we will achieve that and the necessities for that step can be different from that of the government."

Industry has criticised the rate hikes. "This [high inflation] is a supply-side issue and raising interest rates would hurt growth," says Chandrajit Banerjee, Director General at the Confederation of Indian Industry. But Rajan has plenty of supporters as well. "We had earlier attacked inflation more and kept liquidity tight. Rajan thinks both inflation and growth can be tackled simultaneously," says Vishwavir Ahuja, Managing Director and CEO at Ratnakar

Bank. "That is a positive shift."

Chakravarthi Rangarajan, who also focused on price stability during his tenure as RBI governor in the 1990s, says there is always a dilemma between growth and inflation. "People were critical of me, but I broke inflation's back. I took the position that we have to increase interest rates," recalls Rangarajan, who now heads the Prime Minister's Economic Advisory Council.

Baptism by fire

Rajan, who at 50 is the second-youngest governor in the RBI's history (Prime Minister Manmohan Singh was the youngest), took over at a time when authorities were struggling to stabilise financial markets. The rupee was plunging to daily record lows against the dollar. Some even talked of the foreign exchange reserves crisis like the one India faced in 1991. Rajan's appointment itself had a soothing effect on the markets. Investors cheered the entry into the RBI of the former International Monetary Fund chief economist who famously predicted the 2008 economic meltdown three years earlier before it struck the world. "At the global level a lot of people have faith in him because he has interacted with them at the IMF," says Kaku Nakhate, India country head at Bank of America. "Big investors really talk to him."

Rajan took a number of steps to control the rupee's slide. At a time when foreign fund inflow had slowed down and the government was contemplating a sovereign bond issue, Rajan opened a swap window for deposits from non-resident Indians. The swap window has attracted $12 billion in just two months. He also allowed banks to borrow more overseas. These measures, along with easing worries of a US strike on Syria and the continuation of the US Federal Reserve's steps to revive its economy, have helped stabilise the rupee. The local currency is now trading around 61 to a dollar compared with the record low of 68.86 it touched on August 28.

Rajan is also normalising monetary policy operations by making the repo rate the most important tool to signal interest rates, moving away from levers such as the more expensive marginal standing facility (MSF). Before he took over at the RBI, the difference between the repo rate and the MSF, the rate at which banks borrow from the RBI as the last resort, had widened to 300 basis points. This had prompted large banks such as State Bank of India and ICICI Bank to increase their base lending rates, even though the repo rate was not increased. Rajan slashed the MSF rate in three phases and raised the repo rate, bringing the gap now to the normal level of 100 basis points. What industry needs in the short term, says YES Bank founder and CEO Rana Kapoor, is "confidence, conviction and communication" from the central bank. Glenn Maguire, Chief Economist for Asia Pacific at ANZ Economic Research, says Rajan has brought two powerful characteristics to the RBI – accessibility and transparency. "The simpler monetary policy approach aligned with these characteristics has been a key factor behind less market volatility, thus contributing to rupee stabilisation," says Maguire.

No Facebook 'likes'

A big task before Rajan is managing people's expectations. He knows some of his actions – like the recent rate hikes – will be unpopular. But he is undeterred. "The governorship of the central bank is not meant to win one votes or Facebook 'likes'," he said in his maiden speech. North Block mandarins say Rajan, who they describe as amiable and not very bureaucratic, has asked finance ministry officials to not speak publicly on his mon-

INSIDE RAJAN'S MIND

What works for the new RBI governor and how he eased into the job

Make allies: Before taking the Mint Road job, Rajan asked finance ministry officials not to comment publicly on RBI's policies.

Openness extreme: ANZ's Glenn Maguire calls Rajan's accessibility and transparency powerful traits.

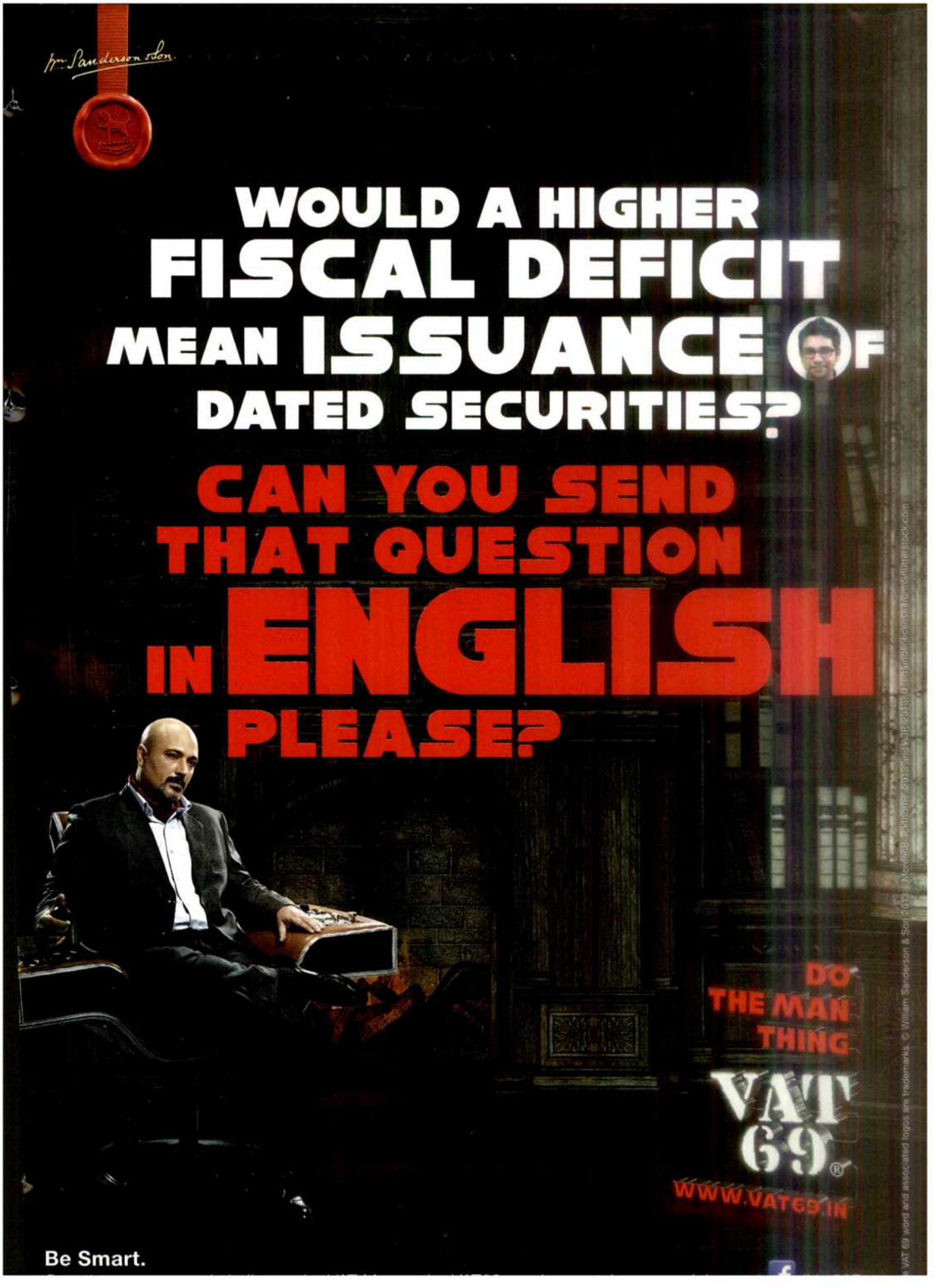
Sun Tzu stance: "Where you think you are on a different path, you try and distance or you try and convince the other," Rajan says of dealing with the finance ministry.

Decisions of impact: Rajan, 50, prefers confident strides not baby steps. Eg: forex deposits swap, inflation-linked bonds to stabilise capital volatility, nixing hoary rules on bank branch licensing.

Flex international cred: Rajan predicted the 2008 economic meltdown three years before it. Markets listen when he talks.

C. Rangarajan, Chairman, Prime Minister's Economic Advisory Council

"We need to draw a balance between innovation and regulation. Rajan is trying to ensure a proper mix"


Wm Sanderson & Son
WOULD A HIGHER FISCAL DEFICIT MEAN ISSUANCE OF DATED SECURITIES?
CAN YOU SEND THAT QUESTION IN ENGLISH PLEASE?
DO THE MAN THING
VAT 69®
WWW.VAT69.IN
Be Smart.

Kaku Nakhate, India country head, Bank of America

"At the global level a lot of people have faith in him [Rajan] because he has interacted with them at the IMF"

etary policy, which is what primarily ruined Subbarao's tenure. So far, nobody from the government has commented on Rajan's two monetary policy reviews.

Rajan has many other issues on his agenda, and he is fixing strict timelines to achieve the goals. He plans, for instance, to sell inflation-indexed bonds to retail investors by December. He has talked about inclusive growth and development as one of the mandates of the RBI. "We need to draw a balance between innovation and regulation. Rajan is trying to ensure a proper mix," says Rangarajan.

Banking sector reform is high on Rajan's priorities. He wants to issue new banking licences by January, though he had previously opposed the entry of large corporate houses into the banking sector. He is also looking to treat foreign banks on a par with Indian banks in terms of branch expansion. Ahuja of Ratnakar Bank says long before Rajan took over as RBI governor he had outlined the future architecture of banking in India. "Rajan has indicated the kind of banks that we must have – a few large Indian multinational banks, a few large Indian domestic banks and another set of banks that are closer to customers which can serve the underprivileged sections," says Ahuja. (See *Not Just Inflation*).

The new job is replete with challenges. Rajan has to tread carefully on the issue of separating the RBI's monetary policy operations from its government debt management function. In October he faced opposition to his idea of allowing foreign banks to acquire local lenders. The topic is sensitive, as India hasn't seen many mergers even among local banks. Rajan says easing takeover rules is "a possibility", but the RBI will first examine how foreign banks perform over time and whether further privileges are warranted. (See Rajan's interview on page 68).

Rajan's growth report on Indian states, before he became the RBI chief, is also under criticism from regional parties. The report has put Maharashtra among the seven most developed states and Gujarat, home of the Bharatiya Janata Party's (BJP) prime ministerial candidate Narendra Modi, among the 11 less developed ones. Critics say being away from India for long could prove to be a big handicap for Rajan as he lacks adequate understanding of the political system. Rajan is quickly learning the ropes. He is brushing up his Hindi as well. Rajan's older sister, Jayashri Sridharan, who lives in Delhi, recollects how their parents had engaged a tutor to teach Hindi to their four children. "We used to run away at the sight of the tutor," she recalls with a smile.

In August, after Rajan was named the central bank's chief, senior BJP leader Murli Manohar Joshi questioned how a foreigner could be appointed as the RBI governor. Rajan, who holds a US green card, has dismissed such queries. "The green card does not require you to take a pledge of allegiance anywhere... It simply is a work permit which you need to have to work in another country," he asserted on October 29 after announcing the second-quarter monetary policy review. Will he be able to navigate the political landscape while keeping the RBI's autonomy intact? This will be keenly watched in his three-year tenure. Rajan would surely love to end his innings at the RBI with another Kipling poem, "The Secret of The Machines":

"But remember, please,
the Law by which we live,
We are not built to comprehend a lie,
We can neither love nor pity nor forgive,
If you make a slip in handling us you die!

(ADDITIONAL REPORTING BY SHWETA PUNJ, K.R. BALASUBRAMANYAM AND SUPROTIP GHOSH)

NOT JUST INFLATION

Rajan's economic mandate rests on five pillars of reforms

I Strengthening monetary policy tools in a globalised world

II Reforming the banking sector; new banking licenses and national treatment to foreign banks on the agenda

III Creating depth in financial markets by allowing new players and introducing new instruments

IIII Providing access to finance to SMEs and the unorganised sector, and support financial inclusion

IIIII Dealing with corporate distress by speeding up debt recovery tribunals and asset reconstruction firms

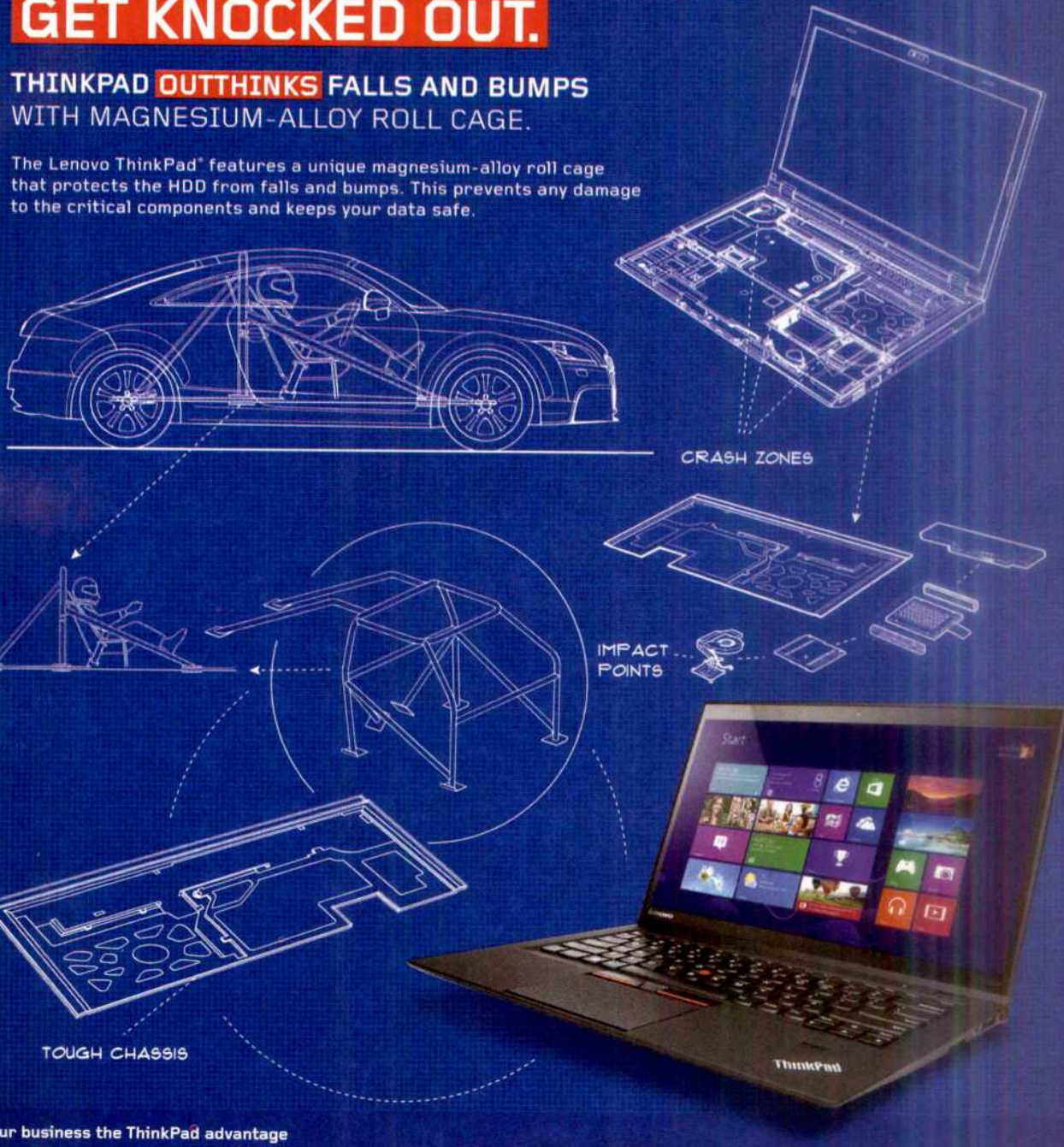
Lenovo® recommends Windows 8 Pro.

Lenovo FOR THOSE WHO DO.

WHEN YOUR THINKPAD TAKES A KNOCK, THE DATA DOESN'T GET KNOCKED OUT.

THINKPAD OUTTHINKS FALLS AND BUMPS WITH MAGNESIUM-ALLOY ROLL CAGE.

The Lenovo ThinkPad® features a unique magnesium-alloy roll cage that protects the HDD from falls and bumps. This prevents any damage to the critical components and keeps your data safe.



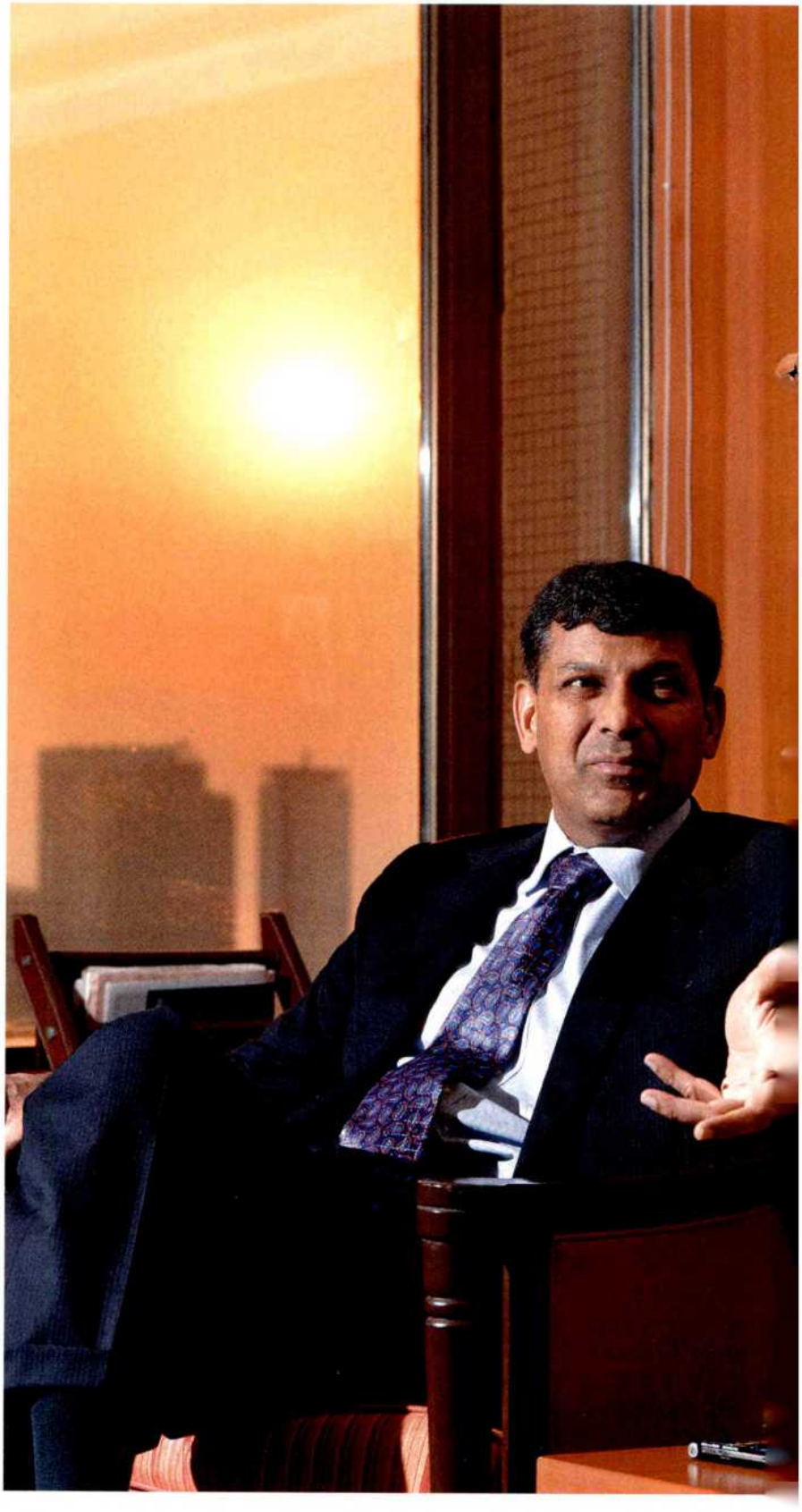
Give your business the ThinkPad advantage
www.lenovo.com/in/en | 1800-3000-9990 | corpsales@lenovo.com

Work easy. Play hard. Windows 8

ThinkPad®
20 YEARS OF LEADERSHIP THROUGH INNOVATION

Lenovo reserves the right to correct any errors, inaccuracies or omissions and to change or update information at any time, without prior notice. **Trademarks:** The following are trademarks or registered trademarks of Lenovo: Lenovo, the Lenovo logo, For Those Who Do and ThinkPad. Microsoft and Windows are registered trademarks of Microsoft Corporation. Other company, product and service names may be trademarks or service

"You should ask what the inflation rate would have been if the RBI hadn't raised rates"



RACHIT GOSWAMI/www.indiatodayimages.com

RESERVE BANK of India Governor Raghuram Rajan, 50, spoke to a group of magazine reporters, including Business Today's *Anand Adhikari* immediately after announcing his second monetary policy review. Edited excerpts:

On the relationship between the RBI and the government

(The RBI's) autonomy was strongly emphasised by my predecessor D. Subbarao, too. The finance minister was unhappy with a decision taken by somebody who was his direct subordinate and whom he appointed as the RBI governor...How much more autonomy can you get than that? It reflects the fact that you are independent. Now does that mean you never listen (to the finance ministry)? Of course not. You listen and you try and accommodate where necessary, where you are on the same page. Where you think you are on a different path, you try

For Raghuram Rajan's full interview, go to
www.businesstoday.in/rbirajan-interview

and distance yourself or you try and convince the other. The common goal (of both the finance ministry and the RBI) is growth with low inflation. But our view of the timeframe in which this will be achieved, and what is necessary for that to happen can be different from that of the government's. We have different views on some issues. I don't think there is lack of communication.

On high inflation persisting despite the repo rate being raised by nearly 400 basis points between March 2010 and October 2011

Remember, we were hit by a number of supply shocks during this period. Oil prices and food prices went up. Rural wages increased because of a variety of reasons including construction activity and minimum support prices. You should ask what the inflation rate would have been if the RBI hadn't raised rates then. That's the question you cannot answer by just looking at the correlation. An interest rate hike does have an impact on inflation. Now, is our transmission mechanism as clear and strong as in the industrial countries? The answer is no, because the interest rate sensitive segment of our population is relatively limited and the interest rate sensitive sectors are relatively limited. But yes, interest rates do have an effect on inflation and we should not dismiss it.

On the need to tackle supply side issues to contain inflation with the same intensity the government showed in controlling the current account deficit (CAD)

The government explicitly talked about projections of the CAD. That made a difference. Everybody then started latching on to the CAD target of $70 billion. Second were the measures (higher duties) taken to control gold imports. They helped, they brought down one big element of imports. [On November 1, Finance Minister P. Chidambaram said he was confident of keeping the CAD at or under $60 billion] The third element was convincing the people about financing the CAD. We were in a situation where people thought we could not finance the CAD. That was when banks, companies and the government have access to international financing. The financing was never in doubt. The real question was how much we have to raise through special means to compensate for any FII outflows. So that was feasible. But if you turn to the supply side, how do you build the supply chain across rural India? It's being built. I think the supply-side response will kick in but probably slower than all of us would like. But it will happen.

> *"We will put enough safeguards into the policy so that there is no chance of having a foreign-dominated banking system. At the same time, let us not be afraid of foreign banks bringing in more innovation capabilities. The system will benefit... It is not a new policy"*

On his statement in the US on allowing foreign lenders to buy small banks in India

The intent is to move foreign banks to the wholly owned subsidiary model because that is beneficial to us from a regulatory perspective. We cannot force them to convert from branches to subsidiary. We have to give them incentives. We promised in our earlier documents that we would give them 'near national' treatment. The important thing about 'near national' treatment is that their rights and privileges are on par with domestic banks. We will examine how they perform over time and see whether further privileges are warranted. Those privileges will not be anything more than what Indian banks enjoy.

What I said (about buying small banks), that's a possibility. It is something that will happen after we review the performance of foreign banks taking into account the needs of the system as a whole. We will put enough safeguards into the policy so that there is no chance of having a foreign-dominated banking system. At the same time, let us not be afraid of foreign banks bringing in more innovation capabilities. The system will benefit. This is not responsibility-free benefit (for the foreign banks). It is not a new policy. I think the emphasis in the speech was on certain elements. Certain things got picked up and blown up more than was intended. But let us be clear that having a more competitive and innovative banking system is a benefit to everyone. ◆

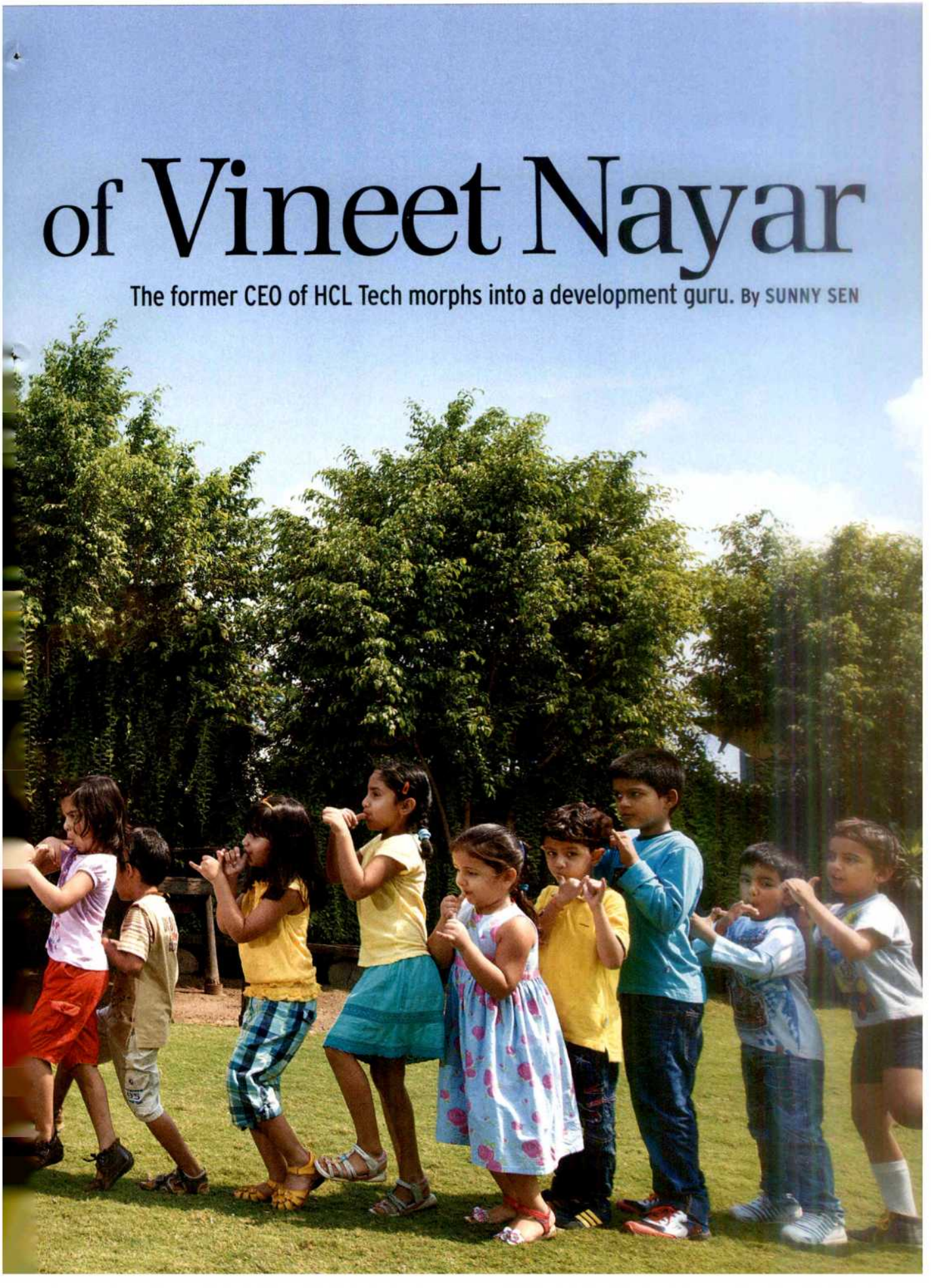
The Reinvention

Leading the way: Vineet Nayar at Gaia Play School in Noida

PHOTOGRAPHS BY VIVAN MEHRA

# of Vineet Nayar

The former CEO of HCL Tech morphs into a development guru. By SUNNY SEN



For a Better India

Nayar is concentrating on three main areas

EDUCATION

Combining text-book learning with visual education for 250,000 govt school students in Punjab

WATER CONSERVATION

Teaching farmers in 19 Tamil Nadu villages the benefits of water conservation

AGRICULTURE

Teaching sugarcane farmers in Maharashtra's drought-hit districts to cultivate drought-resistant crops

Vineet Nayar walks into his new office in a pair of blue jeans and a blue-and-white check shirt. It's a simple ground floor space in a building next to his home in Noida, east of Delhi, most unlike the swanky HCL Technologies office where he served as CEO until January. But Nayar isn't complaining. This is the office of a philanthropic organisation, Sampark Foundation, he started with his wife, Anupama, in 2004.

The former executive is loving every moment of his new role as development guru in an organisation working to improve the lives of underprivileged children and farmers. "When I made up my mind that I want to bring about large-scale change in the social sector, I couldn't have done that as the CEO of a listed company," says Nayar. "My obsession in life is to improve livelihoods by 30 per cent."

For eight years, Sampark was solely run by his wife while Nayar was busy running HCL Tech, India's fourth software services firm. But now Nayar's energies are focused differently. And his friends say his plans for change are not over-ambitious. "Vineet is a quintessentially great salesman, and from that comes a flair for marketing. He did a phenomenal job in changing HCL," says C.P. Gurnani, Managing Director and CEO of Tech Mahindra, who had joined HCL in 1986, a year after Nayar.

Certainly, Nayar has always been known for out-of-the-box thinking. For instance, when HCL Tech founder Shiv Nadar wanted to get into the telecom sector in 1995, most of the industry preferred the pagers or GSM business. But Nayar thought differently. He evaluated the possibility of offering satellite communications at a cost which would compete with conventional levels of wireless telephony. He then started HCL Comnet, an infrastructure management company, and turned it into a $1.3-billion outfit before moving to HCL Tech in 2004. When Nayar became President of HCL Tech in 2005, the company's revenues were $764 million; seven years later, revenues had leapt to $4.4 billion in a single quarter ending in December 2012, just before he announced his exit. "He can think disruptive," says Gurnani. "Comnet was still on the drawing broad, and he was the salesman (who was selling HCL Tech) to the stock market."

"His work is consistent with his beliefs – he can create an environment of large-scale change"

Linda A. Hill

Wallace Brett Donham Professor of Business Administration, Harvard Business School

At Sampark, the challenges are different. But Nayar is relaxed. He leans back in his chair and talks of his treks in the Himalayas and bike rides to Leh on a Royal Enfield. Nayar is soon planning to scale a 19,000-ft peak. At 51, that's an audacious climb. But age has certainly never stopped him. "I was always young at heart," he says, as he asks for a cup of Earl Grey. He has lost about eight kg since he quit the CEO's office at HCL Tech, and says it is necessary for trekking.

Nadar's star salesman has also set his sights high in his new role as a philanthropist. Even though Nayar still holds the office of the Vice Chairman of the board at HCL Tech, he has divested all his shares and is using that money to fund Sampark's initiatives. He does not share the exact amount, but it is estimated at millions of dollars. He is committed to spend $15 million (₹90 crore) of that for the foundation. His plans are influenced by all that he learnt over almost three decades in the infotech industry and his small-town upbringing. Nayar grew up in Pantnagar, which is now in Uttaranchal.

Nayar learnt things the hard way. He lost his father in class nine, and the family was left with only ₹300 in the bank. His mother and

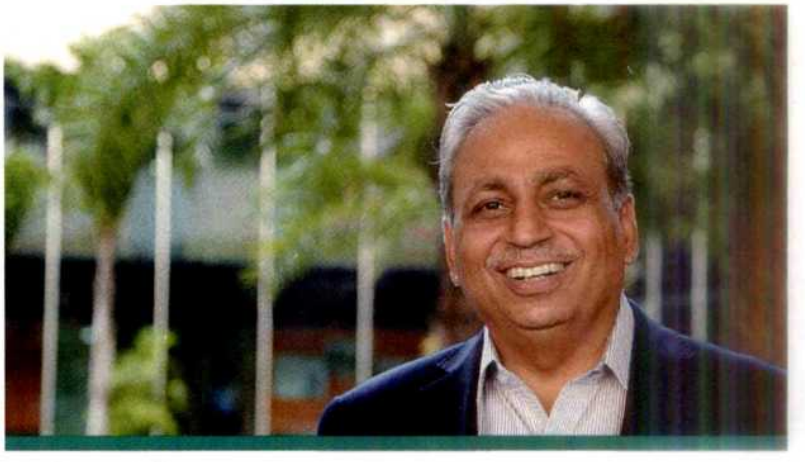
two brothers took turns to support the family. "As I moved from one journey to another, each one was a risk – a risk of personal reputation," says Nayar.

He says Sampark, too, is a risk if he is unable to deliver change. To reduce any chances of failure, he has decided to partner only with governments – increasing the reach and potential scale of the organisation. The three areas he has chosen to work in – education, water, and agriculture – promise to multiply the impact of the work of the 30-member Sampark team.

One of his first projects is to overhaul the education system in Punjab. He wants to touch the lives of 250,000 students in the state who study in government schools. Sampark is taking text-book coaching to the next level and combining it with visual education. It has also abolished the classroom concept and students can come and sit in any class. "It became very engaging," says Nayar. "Books are the most useless way to study maths."

American think-tank Brookings Institution is assessing the project, and once successful in Punjab, Nayar plans to extend it to other states. Sampark has two more projects in the pipeline. It has created a water awareness programme in 19 Tamil Nadu villages with low water tables to help farmers conserve water. Nayar says 16,000 farmers there only get 7.6 million litres, though they require 13.6 million. He has also set a target of improving per capita income in the region by 30 per cent in 18 months. "We work like a corporate house," he says. "I don't know if we can reach there in 19 months, or in 24 months, but we will do it."

Sampark has also taught farmers in a drought-hit sugarcane-growing region, about 50 km away from Baramati in Maharashtra, how to grow alternative drought-resistant crops. The farmers who had never grown anything but sugarcane before were forced to look for alternatives after the drought ruined the soil. Sampark adopted 10,000 farmers, engaged scientists to rejuvenate the soil and helped transform their lives.



"Vineet is a quintessentially great salesman, and from that comes a flair for marketing"

C.P. Gurnani
MD and CEO, Tech Mahindra

Linda A. Hill, Wallace Brett Donham Professor of Business Administration at Harvard Business School who has written a case study on Nayar's management style in her book *Collective Genius*, says Nayar has always been an innovative thinker. "I think his work is is consistent with his beliefs – he can create an environment of large-scale change," says Hill about Sampark.

That Nayar never wanted to be a CEO is well documented in his book, *Employees First, Customers Second*, which talks of how he transformed HCL Tech by changing the culture of the company by creating transparency internally. He says he is not an Azim Premji or a Mukesh Ambani, who will remain CEOs for the rest of their lives. Instead, he models himself on former Infosys CEO Nandan Nilekani, the brain behind the Aadhaar unique identification number project. "I really appreciate what Nandan is trying to do. He is trying to solve a mega problem," says Nayar.

But Nayar doesn't believe it is everyody's duty to give back to society. He thinks development is an "intellectual problem" and that people who are fortunate should solve it. He has a good example close to him. Anupama, Nayar's wife, is the other pillar of Sampark. She did a course at Spastics Society of India and has been teaching dyslexic children. In their early fifties, the Nayars are aiming at a second shot at success. ◆

v.wave-inc.com

WAVE

An Organisation built on Trust

AVE Infratech | WAVE Industries | WAVE Distilleries & Breweries Ltd | WAVE Premier Sports | WAVE Beverages | WAVE Cinemas | WAVE Malls | PONTY CHADHA FOUNDATION

ESTATE | SUGAR | PAPER | DISTILLERIES & BREWERIES | SPORTS | BEVERAGES | EDUCATION | MALL & MULTIPLEXES | FILM DISTRIBUTION | CS

Corporate Office: Wave Group, C – 1, Sector – 2, Noida – 201301 (U.P.) India | Board No. +91-120-4180500 | Fax No. +91-120-4180541

TELECOM Mobile Data
3G
3/4
of Twitter users also access the micro-blogging site from their phones.
62 million
Facebook users also log in from their phones.
YouTube has
42 million
mobile users
DATA DIMENSIONS 2017
By 2017, networked devices will rise to
2 bn from 1 bn in 2012
Internet traffic will have grown
6.4 times
at an annual rate of
45 per cent
Mobile data traffic will have grown
60-fold at an annual rate of 127 per cent
Avg broadband speed will grow
3.5 times
to 7Mbps
Avg Internet user will generate
162%
more web traffic
SOURCE: Cisco VNI (2012-17)
SANTOSH

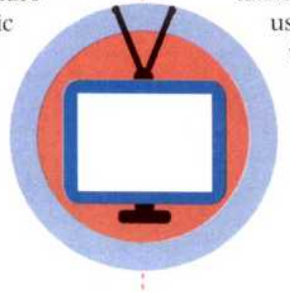
V-sign for Video

Data use, driven by video downloads, is raising revenues of telecom operators, but infrastructure still lags.

By SUNNY SEN

Afzal Ansari, a painter in Ranchi, has just finished painting a huge gate. He slips on a crumpled shirt over his greasy tee, pulls out his smartphone and heads out to take a break from work. On the way, he asks a colleague if he caught the previous night's episode of Bigg Boss, a reality show with a cult following across the country. "I am a big Sallu fan," says Ansari, referring to actor Salman Khan who hosts the programme. Ansari missed the latest show, but he is not bothered. He will catch up on it using his mobile. "I watch all my television here," he adds. Ansari owns three mobile phones, two of them exclusively to watch videos.

Surprised that a painter in a small city is streaming videos over a mobile phone? Ansari isn't exactly your stereotypical urban smartphone user. He earns just ₹6,000 a month and does not speak English. But one person who is not surprised is Salman Hussain, the man behind Bharti Airtel's well known '₹1 for a video' campaign, which almost doubled data traffic on the company's mobile webpage to 22 million users. Hussain is Vice President, Business Division, at Vuclip, a firm that provides video streaming services for many mobile phone operators in the country, including Bharti Airtel, India's top telecom operator.



Forget ring tones and music downloads. Video accounts for the largest chunk of India's mobile data usage today. Across the country, people are watching everything from reality shows and soap operas to cricket matches and music programmes on their little handsets. At last count, Vuclip had 37 million minutes of video streaming spread over 20 million mobile users under its belt. Hussain says more than 50 per cent of mobile data usage comes from video, and mobile phones in many semi-rural areas are becoming the first entertainment device. "Right now, the challenge is not profitability. It is about scale. In the long-term, data is the space which will drive revenue," says Hussain.

Most telecom operators have seen a surge in the number of 3G customers. And industry experts say the numbers will only go up. Bharti Airtel, for example, has almost doubled its 3G subscribers to about seven million, taking its data customers to 47 million, and data usage per customer has gone up 81 per cent in the past one year. Aditya Birla Group-owned Idea Cellular's data users rose to 31 million in the June quarter from 18 million in the previous year while data usage doubled in the same period. By the end of June,

"In India, mobile will be the only experience for many users"
Kevin D'Souza
Country Growth Manager, Facebook India

"I use data for about seven to eight hours on my mobile and I spend four times the money I spent on it two years back"
Kasturi, App Developer

Vodafone had 41.2 million data customers with about 3.7 million 3G subscribers. Reliance Communications's data users grew by half a million in the quarter ending June. "I use data for about seven to eight hours on my mobile and I spend four times the amount I did on it two years back," says Kasturi, an app developer in Chennai.

With the number of subscribers growing, revenue from data has also leapt. Data revenue accounted for seven per cent of telecom operators' overall revenue in 2012/13, and is expected to go up to 21.7 per cent in 2017/18, according to equity research firm PhillipCapital India. Vodafone's data revenue grew 50.5 per cent to ₹2,000 crore in 2012/13 while Bharti Airtel's average revenue per user from data leapt 59 per cent to ₹63 in June from last year. Similarly, non-voice accounted for 21.3 per cent of Reliance Communications's revenue in the June quarter.

Most telecom operators riding on the data boom have tied up with social media such as Facebook and Twitter. Airtel, for example, partnered with Facebook for three months of free access to drive growth while Idea offers free Facebook Messenger for three months. Reliance has a ₹16-plan to access Facebook only and Airtel offers a ₹1-a-day plan to access Facebook. Of the 82 million Facebook users in India, 62 million are also on mobile. Kevin D'Souza, Country Growth Manager at Facebook India, says an increasing number of users are opening Facebook accounts on mobiles using their phone numbers as an ID and some mobile customers have never used a computer for Facebook. "Sometimes people do not even know that they are buying data, but when they buy a phone they want Facebook to be loaded on the Internet," he adds. "In India, mobile will be the only experience for many users." He is not exaggerating. "For more than a week I haven't used my computer. Everything is on my mobile and iPad," says Sunil Manglore, Managing Director, CA Technologies India.

Vodafone offers three months of free Twitter usage through the browsing page mobile.twitter.com, and recently developed an app 'Twitter for Android'. "Customers can connect in real-time with news, entertainment, sports and other interests on Twitter without data charges," says Vivek Mathur, Chief Commercial Officer, Vodafone India.

Seeing the growing popularity of social media and video streaming, most operators have slashed 3G prices. Most cities are dotted with roadside hoardings advertising affordable data plans, which in turn are expected to increase data consumption. Airtel set the pace by slashing 3G rates by 70 per cent in May 2012. Reliance Communications followed by cutting 3G prices. "There was a clear anticipation in 2008/09 that there is an upside in data and we have been laying the foundation ever since," says N.

Boom Ahead

3G subscribers are expected to nearly quadruple in the next three years

	2012/13	2013/14*	2014/15*
Bharti Airtel	6.4	14.3	30
Idea Cellular	5.1	11.1	15.2
Vodafone India	3.3	6.9	13.2
Reliance Communications	7.2	13	22
Aircel	1	1.8	2.9
Tata Teleservices	2	3.65	5.4
BSNL/MTNL	3	5.4	7.6
Total subscribers	28	56.1	96.3

* Estimated, Source: PhillipCapital India
3G subscribers figures in million

muthootfinance.com

126 years of trust
Muthoot Group

UNLEASHING THE DREAMS OF OUR HEARTLAND. MUTHOOT FINANCE, *FINANCIALLY INCLUSIVE.*

₹320 crores* disbursed as loans every day

SKOCH AWARDS 2013 FOR FINANCIAL INCLUSION

- Loans starting from ₹1500 to ₹1 crore
- Primarily disbursed among rural and semi-urban population
- 4,440+ branches spread across 21 states and 4 union territories
- 81,000+ customers served every day

(*Apr'12-Sep'13)

Sapney aapke, prarthana hamari.

Muthoot Finance

A Muthoot M George Enterprise | Since 1887

"For more than a week, I haven't used my computer. Everything is on my my mobile and iPad"

Sunil Manglore
Managing Director, India
CA Technologies

Rajaram, Chief Marketing Officer of Bharti Airtel. "Now people are consuming content on the phone, and this is going to go up as they find more content to consume." Gurdeep Singh, CEO of Reliance Communications, agrees. "There is a lot to capture in the 2G and 3G data space. There is a lot of revenue sitting on the handheld in the form of 2G and 3G," he says.

Operators have been quick to cash in on the smartphone boom in India. According to research firm IDC, the number of smartphones in India leapt 166 per cent to 9.3 million in the second quarter of 2013 alone. Apart from big brands such as Samsung, Apple and HTC, data usage has also increased because of the rise of Indian handset makers such as Micromax, Karbonn and Intex. Aircel recently tied up with Micromax to offer free data for three months on every purchase of a Micromax phone. Aircel expects to get four to five lakh new users every month through this tie-up. Intex, another Delhi-based phone maker, sees 50 to 60 per cent of its smartphone sales coming from smaller towns. "Forty per cent log-ins on Facebook are from phones and another 40 per cent of Google searches happen on smartphones," says Sanjay Kumar, Business Head of Intex Mobile.

But the business is still fraught with challenges. Telecom operators face a host of problems such as shortage of spectrum, low margins, price wars, lack of infrastructure and slow profitability in the data business. Most operators have invested big bucks in setting up operations, but it takes a long time to break even. Indian telecom operators have spent ₹67,719 crore on 3G and broadband wireless access. According to PhillipCapital India, Idea Cellular is expected to break even on its 3G investments in 2014/15. 3G contributes only 1.2 per cent of Airtel's overall revenue, while Vodafone is just 0.8 per cent.

Telecom equipment maker Nokia Solutions and Networks (NSN), which manages almost 40 per cent of India's telecom networks, has seen data consumption double in the last one year. 3G usage has gone up by 200 per cent, but infrastructure has not developed at the same pace. Market experts say the pipe is likely to get choked if the government does not allocate more spectrum for 3G operators. "3G consumes four times the spectrum of what normal data usage takes," says Amit Marwa, Chief Technology Officer at NSN.

Sanjay Rohtagi, Managing Director of the service provider business of Cisco India and SAARC, says the biggest concern is how to monetise data traffic on the network with the growth of video. "Operators are working on how to optimise their network to carry video traffic more cost effectively," he says.

None of this matters to people like Ansari in Ranchi. He does not even know video is delivered through wireless broadband. All he cares about is watching the next episode of Bigg Boss.

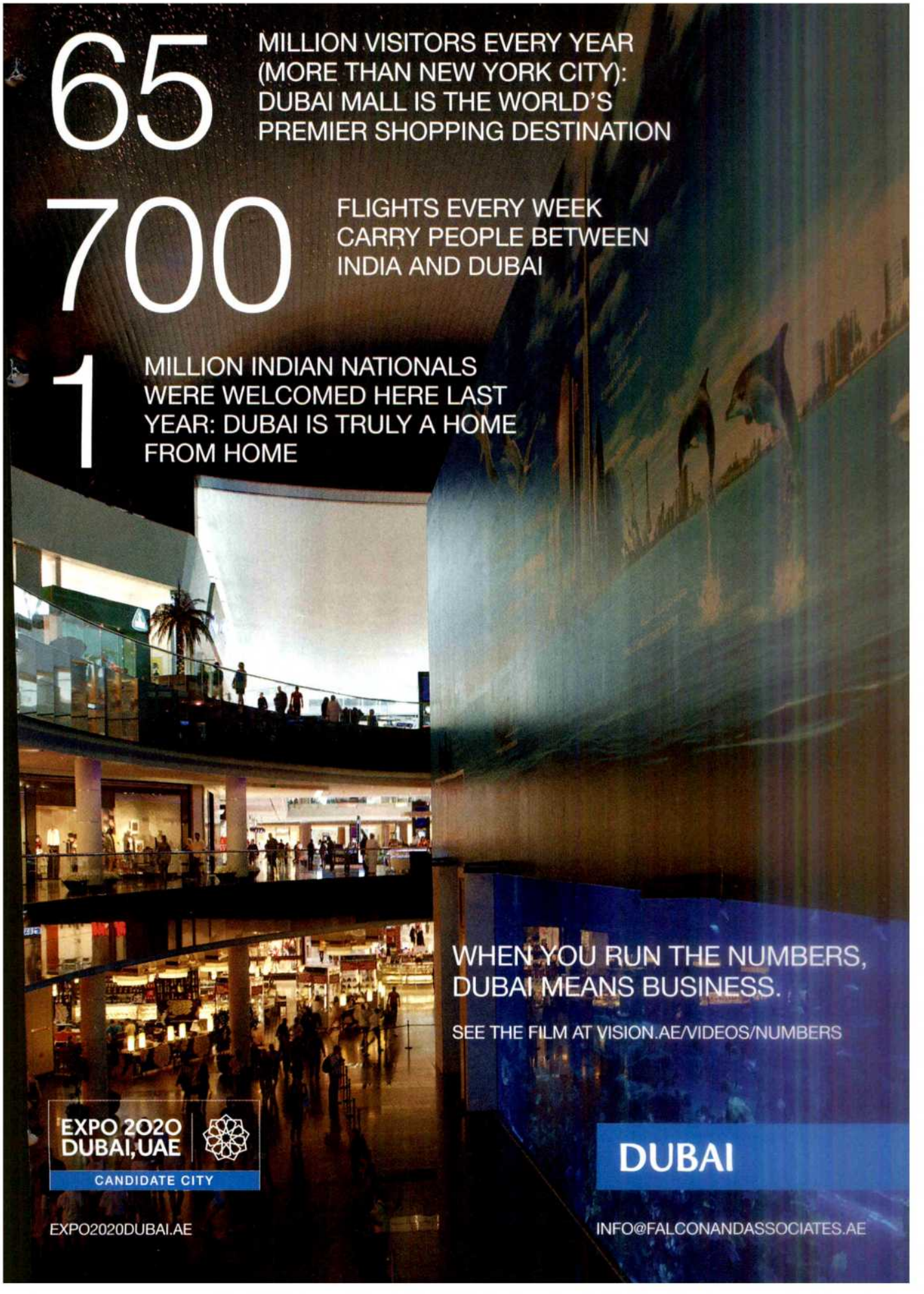
That is good news for India's mobile phone operators. ◆

Rise in Revenue

3G is expected to contribute significantly to operators' revenue in coming years

	2012/13	2013/14*	2014/15*
Bharti Airtel	526	3,189	8,250
Idea Cellular	422	1,581	3,490
Vodafone India	289	1,557	4,949
Others	1,203	3,470	8,365

*Estimated, figures in ₹crore
Source: PhillipCapital India


65
MILLION VISITORS EVERY YEAR (MORE THAN NEW YORK CITY): DUBAI MALL IS THE WORLD'S PREMIER SHOPPING DESTINATION
700
FLIGHTS EVERY WEEK CARRY PEOPLE BETWEEN INDIA AND DUBAI
1
MILLION INDIAN NATIONALS WERE WELCOMED HERE LAST YEAR: DUBAI IS TRULY A HOME FROM HOME
WHEN YOU RUN THE NUMBERS, DUBAI MEANS BUSINESS.
SEE THE FILM AT VISION.AE/VIDEOS/NUMBERS
EXPO 2020 DUBAI, UAE
CANDIDATE CITY
DUBAI
EXPO2020DUBAI.AE
INFO@FALCONANDASSOCIATES.AE

"IN INNOVATION, UNCERTAINTY IS YOUR FRIEND"

A panel discussion organised by *Harvard Business Review* concludes that India has much going its way. By SUPROTIP GHOSH

PHOTOGRAPHS BY DANESH JASSAWALA

Positive outlook: (From left) Felix Oberholzer-Gee and Stefan H. Thomke from Harvard Business School; Mini Menon, Executive Editor, Bloomberg TV India; Adi Godrej, Chairman, Godrej Group; and Prakash Iyer, Managing Director, Kimberly-Clark Lever

Indian companies are experts at low-cost innovation. Apprenticeship and mentoring are two critical components needed to ensure innovation becomes a continuing culture. Product innovation is more visible, but India requires more process innovations. And the best innovations bring returns very quickly.

These were some key takeaways from a panel discussion in Mumbai to commemorate 90 years of *Harvard Business Review (HBR)*, held on October 21 at the Trident, titled *Innovation – In Uncertain Times*. Stefan H. Thomke, William Barclay Harding Professor of Business Administration at Harvard Business School, Felix Oberholzer-Gee, Andreas Andresen Professor of Business Administration at the same institution, Adi Godrej, Chairman, Godrej Group, and Prakash Iyer, Managing Director, Kimberly-Clark Lever, formed the panel.

Ashish Bagga, Group CEO, India Today Group, which publishes *HBR* South Asia, set the tone for the event. *Business Today* is published by the group, too. "There is not a more appropriate time to discuss the topic we have for this evening. In the past, uncertainty and volatility were once-in-a-while events, more like barn fires," he said. Not anymore. "Risk

MAKE 5
YOUR LUCKY NUMBER

Stay for 5 nights
GET 1 NIGHT COMPLIMENTARY
or a 60 minute spa therapy

Stay for 5 nights at our hotels in Hyderabad; Chennai or Bandra Kurla, Mumbai before 31st March, 2014 and receive:

One complimentary night at any Trident hotel in Agra, Jaipur, Udaipur or Cochin.

or

A **60 minute spa therapy** at Trident hotels in Hyderabad; Chennai or Bandra Kurla, Mumbai on your next stay.

+Earn Trident Privilege points during your stays.

To know more or to join Trident Privilege, please visit **tridentprivilege.com**

TRIDENT
Privilege

mitigation is buzzing loudly on the radar of CEOs."

The panellists debated all aspects of innovation, ranging from its nature to the challenges it faces in India, compared to other countries.

Speaking on why India's innovations were mostly cost innovations, Thomke – known for his study of Mumbai's *dabbawalas*, whom he called "symbols of gritty resilience" – said Indians seemed to be able to do more with less. Godrej added that innovation in India should really focus on the bottom of the pyramid. "How to innovate in a way that provides more consumption opportunities should be of primary importance," he said.

Oberholzer-Gee used a telling anecdote to bring out the uniqueness of innovation from India. In Tokyo, he said, there is a service akin to that of the *dabbawalas*. However, to rationalise the high cost of logistics, Japan decided to eliminate all variability in the food provided. "Basically, you have no choice but to eat what you are given," he said, highlighting the ability of Indian innovation to provide flexibility and variability, and at a price point that is affordable.

The panellists seemed divided on whether there was a uniquely Indian way of innovation. Some said there were universal innovation methods visible globally. If one looked at some really successful companies, whether European or Indian, one found they both had similar systems and resources. Others maintained that what was unique to the Indian context was the environment in which companies operated. There are challenges and constraints unique to India, which in turn led to certain Indian responses.

"There are ways of doing more with less in India. It looks impossible sitting at some other corner of the world for example, to develop a new car at under 25 per cent of the cost of the average existing car," said Thomke. He was referring to Tata Motors Nano, launched at a price that the world said was impossible to sell a car at and remain viable.

Innovations, however, also bring in risks. In response to an audience question on how companies should cope with new entrants who brought in great innovations, the panel said the risk to the established player was the likelihood of complacency creeping in. "Once a competitor comes in with a successful innovation, it is probably a bit too late," Godrej said. "I think innovation has to be thought of much earlier. Competing with your own products is best done by you, instead of a competitor."

A major hurdle to Indian innovation is its poorly skilled workforce. To enable Indian companies to innovate better, mentoring and apprenticeship were needed of the kind many European companies and countries provide. "The German and Swiss method of apprenticeship and training has led to many successful small and medium businesses. We should concentrate on not just higher education, but also skilling and training, which would benefit India tremendously," Godrej said.

Oberholzer-Gee said he would be very optimistic about the future of India if the country invested in training people better. India should also invest in knowhow in areas such as manufacturing. "Over time these things will come. Germany didn't do it overnight. In fact some of these systems have been there for hundreds of years," he said.

In the end the panellists agreed that adversity and uncertainty – of the kind the Indian economy was currently facing – often led to innovations. India had two things going for it. First was the opportunity to work with a billion-plus people. "The size of the prize is huge," said Kimberly-Clark Lever's Iyer. The second was the nature of the new generation of people coming into work. Young Indians were impatient, ambitious, and wanted to get things done.

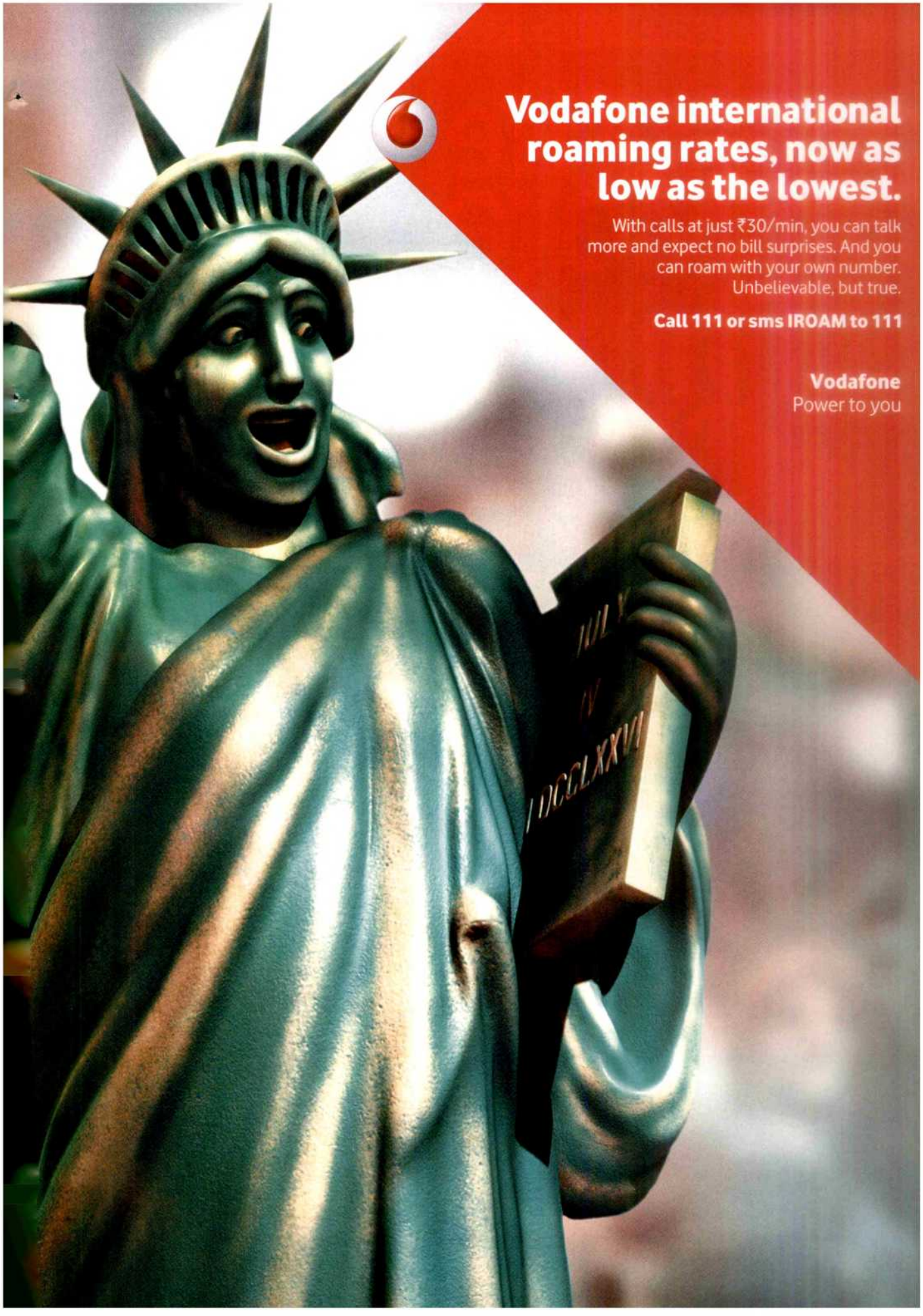
Globally, companies are actively investing in innovation. "In innovation, uncertainty is your friend," said Thomke. "Uncertainty creates opportunities. It also creates new constraints, and when you have new constraints, you come up with new solutions."

Such panel discussions outside the US are of increasing importance to *HBR*, considering its vast global audience. Half the traffic to its Internet edition comes from outside the US. And Indians constitute the largest overseas community devouring every *HBR* issue, said Joshua Macht, Executive Vice President and Group Publisher at *HBR* Group.

Bloomberg TV was partner at the event and the discussion was moderated by its Executive Editor Mini Menon. ◆

"RISK MITIGATION IS BUZZING LOUDLY ON THE RADAR OF CEOs"

Ashish Bagga, Group CEO, India Today Group


Vodafone international roaming rates, now as low as the lowest.
With calls at just ₹30/min, you can talk more and expect no bill surprises. And you can roam with your own number. Unbelievable, but true.
Call 111 or sms IROAM to 111
Vodafone
Power to you

The More Things Change

VIVAN MEHRA/www.indiatodayimages.com

Commerce continues to be dominated by 'B' even as it goes 'e'.

By DEARTON THOMAS HECTOR

Things did not turn out the way Mahavir Tyagi had expected. He went into Mahatma Gandhi's room expecting a pat on the back. The evening had been a success. Residents of the girls school Gandhi and his team, including Tyagi, had visited, put their hesitation aside and jostled one another to contribute to the freedom movement. They shoved coins, currency notes, necklaces, bangles, anklets and earrings into Gandhi's cupped hands and touched his feet. Some of it fell on the ground, some rolled under the crumpled durrie. But they combed the place and what they

took back to the camp was a tidy sum.

But Gandhi was far from pleased. "I told you to dust the durrie and collect everything, but it seems you left it to someone else."

Tyagi protested, saying he had been very diligent. "Do not lie. I do not trust you," said Gandhi, and waved a single gold earring in Tyagi's face. "Whatever happened to its pair? Do you think any woman would give away just one of these and keep the other for herself? Go back and sweep the meeting ground until you find it."

It was already late into the night. But Tyagi went back with some gas burners, torches and a few friends. The search began afresh and this time they did find some things they had not picked up the first time: some crumpled notes, a couple of rings. They also found the missing earring.

The story, taken from Tyagi's book, *Hanste Hue Aansu* (Laughter through Tears), would surprise only those who do not know the community from which Gandhi came – Bania – and the qualities that make this community one of the richest in India despite its small size.

Bania is derived from the Sanskrit word *banijya*, meaning commerce. It is what the community has practised for centuries. Of course, a few things have changed. Several Banias have covered themselves in international glory as employees: Anshu Jain is the CEO at Deutsche Bank and Ajit Jain is Warren Buffett's favourite at Berkshire Hathaway. Nitin Nohria runs the Harvard Business School as Dean and Dipak Jain does the job at Insead.

But one thing that has not changed is that members of this small community dominate the list of India's richest. Reliance Industries's Mukesh Ambani, his brother Anil, ArcelorMittal's Lakshmi Mittal, Aditya Birla group's Kumar Mangalam Birla, Bharti's Sunil Mittal, Essar's Shashi and Ravi Ruia, Jindal group's Savitri Jindal, and Adani group's Gautam Adani are all from this community.

Another thing that has not changed is that Banias, by and large, retain the hard-nosed approach of their forefathers and an unwavering grip over *hisaab kitab*.

NISHIKANT GAMRE

"A combination of genes and education plays an important role in this new age of entrepreneurship"

Industrialist Basant Kumar Birla as a young boy was put under the tutelage of Shantimal Mehta, another Bania, to learn cash, accounting, raising bills, sales, etc. His grandson Kumar Mangalam likes to know at the end of each day how much cash came into his group and how much went out. Of course, the size of his group makes it impossible to count the pennies, but that is the broad philosophy he follows, in keeping with the community's age-old *parta* system.

And a third thing that has not changed is the Banias' dominance of commerce in India even as a large part of it has acquired an 'e-' before it.

Four of the top 10 e-commerce outfits in India have been founded or co-founded by Banias. But five of these are foreign entities – which leaves only one Indian e-commerce company in the top 10 without a Bania behind

> "Colonial rule suppressed trade but the community survived because of the network. And when India became independent these families were the first ones to grab the opportunity"
> **ADITYA MUKHERJEE,** Professor, JNU

it. The ranking does not include travel booking sites or service firms like IRCTC and Makemytrip.com or Naukri.com. (See *Conquering New Territory*.)

So what is it about this community that makes its members turn to commerce, and not without success?

For Rohit Bansal, co-founder and COO of Snapdeal.com, "it was the comfort level with uncertainty". His father is a grain merchant. All his uncles, too, are traders. "There was high volatility in my father's sales," says Bansal, an IIT Delhi post graduate in Computer Science. "The resistance, when I told my parents I was going to start something of my own, was minimal."

It was only to be expected. When Bansal joined the corporate world as an employee, he was the only one in his social circle working for a salary.

Kunal Bahl, who co-founded Snapdeal with Bansal, says with a sheepish smile: "I feel like an outcast in this e-commerce world of Bansals and Banias. But at least I have a surname beginning with a B."

Elsewhere in e-commerce, too, there isn't exactly a dearth of the B name.

Flipkart.com, the country's largest online retailer with annual revenues of around ₹500 crore in 2011/12, was started in 2007 by Sachin Bansal and Binny Bansal, whose only relation is that both studied at IIT Delhi.

Peyush Bansal is the man behind Valyoo Technologies, which owns Lenskart.com, Watchkart.com, Jewelskart.com and Bagskart.com. His father, a chartered accountant with a part-time business, wanted him to get

"I felt it (being an employee) was not challenging enough. So I started out on my own after coming back to India in 2008 with my own financing"

a job. That he did and worked for Microsoft in Canada for almost a year. And then the genes struck.

"I felt it was not challenging enough. I felt I'd wasted a lot of time. So I started out on my own after coming back to India in 2008 with my own financing," says Peyush, whose company now has a turnover of ₹3 crore a month.

According to Soumitra Dutta, Dean at Cornell University's Samuel Curtis Johnson Graduate School of Management, entrepreneurship is a combination of nature and nurture. "The basic entrepreneur genes are there in everyone. What helps the Bania is the nurturing. Historically they have a tradition of imbibing these characteristics," he says.

But there also remain dissenters. Myntra.com co-founder Mukesh Bansal, for instance, does not believe in the genome theory ("I think it was just a coincidence"). But whatever your beliefs, the fact is that, in the world of online commerce, by the time you get past a Bansal you will run into an Agarwal, or a Gupta, or a Goyal – all surnames of the Bania community.

"One factor is the environment and the family support they get. The network plays a big role. You have access to knowledge, funds and resources," says Kavil Ramachandran, Thomas Schmidheiny Chair Professor of Family Business and Wealth Management at Indian School of Business, Hyderabad.

Aditya Mukherjee, Professor of Contemporary Indian History at Jawaharlal Nehru University, Delhi, also talks about the network. "Every historical study has shown that caste plays a big role in the occupation one possesses. Colonial rule suppressed trade, it was hard to get funding from banks, but the traditional community survived because of the network," says Mukherjee, who has authored the book *Imperialism, Nationalism and the Making of the Indian Capitalist Class*. "And when India became independent these business families were the first ones to grab the opportunity."

Abhishek Goyal, who sold his start-up Urban Touch, an online fashion and beauty retailer, to Fashion and You but remains its CEO, says he grew up among a bevy of cousins all of whom were in business. "Even though my father was a banker he didn't want me to do a job."

Conquering New Territory

The top 10 e-tailing companies in India

Baniya owned
Baniya Co-owned

Rank	Company
1	Flipkart.com
2	Olx.in
3	Snapdeal.com
4	eBay.in
5	Amazon.com
6	Jabong.com
7	Myntra.com
8	Amazon.in
9	Shopclues.com
10	Tradus.com

Source: Country wise ranking by Alexa.com as on Oct 31, 2013

SEIKO

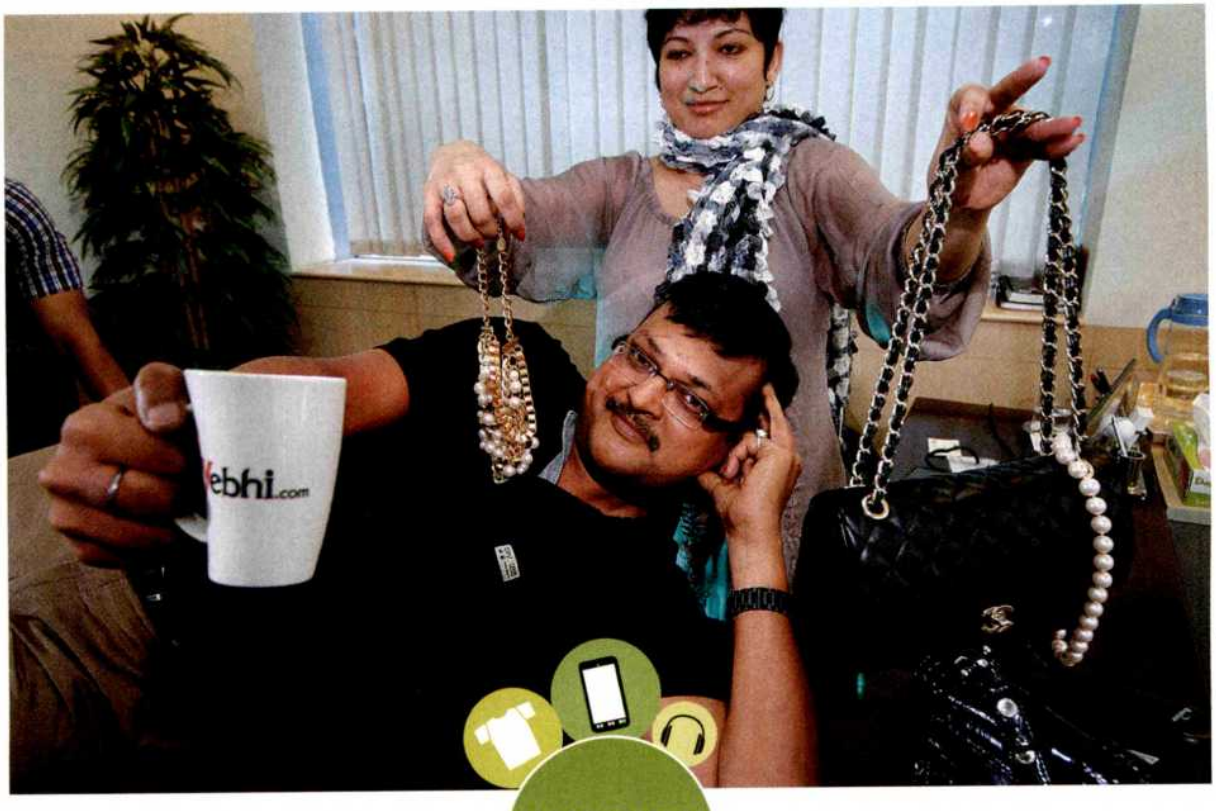
DEDICATED TO PERFECTION

PREMIER. Thanks to a rotor that spins at up to 100,000 rpm, Seiko Kinetic converts your movement into power, so no battery change is ever required. Kinetic Direct Drive shows you the energy you put into the watch as you wind it. 30 day power reserve. With Kinetic Direct Drive Moon Phase, you are the power. **seiko.in**

chase of Seiko Watches through the Internet in India shall not be covered under the Seiko Warranty."

O BOUTIQUE Chennai - Express Avenue, Ph-28464994 | **Bangalore** - UB City, Ph-41636912; Phoenix Market City Mall, Ph-67266390
i - Lulu Mall, Ph-9142791427 | **Kolkata** - Camac Street, Ph-22827704. Also available at all Leading Multibrand Watch Outlets.

/seiko.in



SHEKHAR GHOSH/www.indiatodayimages.com

MANMOHAN AGARWAL
CEO, Yebhi.com

"My father instilled in me the ability to take bold decisions, the courage to take risks and to give one's 100 per cent to anything one does"

Allahabad-born Manmohan Agarwal, who founded Yebhi.com, started his entrepreneurial journey at the age of 15, when he lost his father. For the next eight years he did "chota chota" (petty) businesses and started what is today Yebhi.com in 2009, as Big Shoe Bazaar. He says his father Vinod Chandra instilled in him the "ability to take bold decisions, the courage to take risks, and to give one's 100 per cent to anything one does".

The entrepreneurial *keeda* bit Dhruv Gupta, founder and CEO of GKBOpticals.com, after three years of working with audit and consultancy firm PricewaterhouseCoopers in the US. He came back to his "swades" to start the dating site Desimartini in 2006, and went on to start a health venture called Fit Ho in 2010. In 2011 he started the online edition of GKBOpticals. "I started on my own, financially. The emotional support was always there from my family," he says.

For another Agarwal, Chaitanya, founder and CEO of Juvalia and You India, an online jewellery store, it was the environment at home that made all the difference. "I was born into a business family. I was surrounded by people who spoke accounts at breakfast, strategy at lunch and operational efficiency at dinner. It was a combination of genes and nurture," says Chaitanya, who spells his last name Aggarwal.

Yet another Agarwal, Manu, the founder of Naaptol.com, talks about a combination of genes and education being at play in this surge of new-age entrepreneurship. The 1992 graduate from IIT Kanpur makes time to drop his eight-year-old daughter, Anusha, to school every morning. During the ride he tells her stories of his entrepreneurial journey and of the people around him. But there is a bit he has picked up from the young girl.

One morning on the way to school, Manu told his daughter he became tense before a big presentation. "Why Daddy, why are you so afraid? When you are on stage, everyone is below you, and just look at the wall in front of you," said the daughter.

That would be wisdom beyond the years for an eight-year-old. But this eight-year-old is a Bania. ◆

Send your comments to editor.bt@intoday.com

You've seen game changers in business. Here's one for your home.

It takes the special skills of Fenesta to produce a precision-engineered solution that insulates your home against noise, rain, wind, dust and pollution. Lowers energy consumption. Introduces natural light. Allows ventilation and yet prevents the invasion of mosquitoes. Integrates a security grill in the frame. Unites spaces. And adds an element of architectural style. From design to fabrication, installation and service, only Fenesta can deal with the complexity of customisation. Within hours, old windows can be replaced with impeccable picture windows, using the new 'sills and trims'. No hassle. No disturbance to family life.

1 Million+ Installations
Because experience counts

A Quantum Leap in Windows

The extended design palette now has three new doors of European origin: Slide & Fold, Lift & Slide and Tilt & Slide.

Upgrade to Fenesta today: Renovating a single room? Building a new house? Consult experts who know which Fenesta original windows and doors work best in your home.

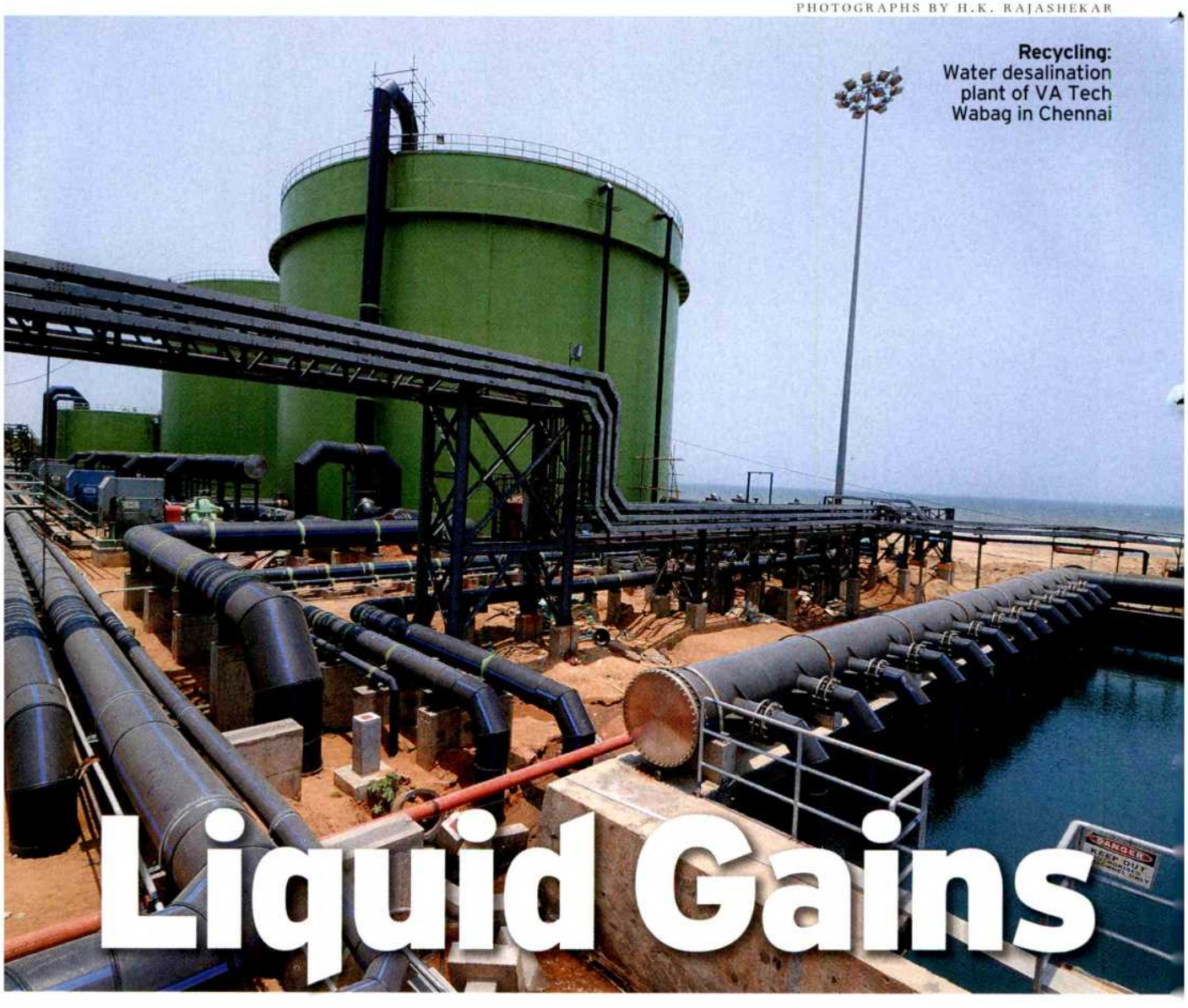
Fenesta Windows
Transforming Homes

Call: 1860 266 2666 / SMS: WINDOW to 56161 / Email: response@fenesta.com
Visit: www.fenesta.com / Fenesta Head Office: Ground Floor, Plot No. 52, Sector - 32, Gurgaon

Product performance varies according to design, specifications and other environmental factors.

twohmpe

PHOTOGRAPHS BY H.K. RAJASHEKAR



Recycling: Water desalination plant of VA Tech Wabag in Chennai

Liquid Gains

Rapid urbanisation and dwindling fresh water reserves have given a big fillip to the water treatment business in India. By AJAY MODI

Rajiv Mittal, 53, does not have a grandson yet. But he is sure, if and when he does have one, the boy, on growing up, will continue in the business he has set up. Mittal is Chairman and Managing Director of the ₹1,400-crore water treatment firm VA Tech Wabag, and he knows rapid urbanisation, dwindling fresh water reserves, a widening demand-supply gap and a depleting groundwater table will keep the water treatment business thriving for a long time.

An Ernst & Young (E&Y) study says the Indian water sector could require investment of around $130 billion between 2011 and 2030. Wastewater management, in particular, is emerging as a key thrust area. Currently, only 60 per cent of industrial and 26 per cent of domestic wastewater is treated in India. Metros and large cities are treating only about 30 per cent while smaller cities treat a minuscule 3.7 per cent of their wastewater.

"It is not only industries. Even municipal corporations are being pulled up today if they do not meet environmental norms," says Mittal. Of his company's

NMDC : Creating deep rooted development

Production (Iron ore) up 10% Q2 vs Q2

Sales (Iron ore) up 11% Q2 vs Q2

Interim Dividend 300%

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-09-2013

PART-I (Rs. in Crore)

Particulars	Un-audited					Audited
	Three months ended			Six months ended		Year to date
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
1. Income from operations						
(a) Net Sales/income from operations (net of excise duty)	2,478.14	2,869.10	2,611.84	5,347.24	5,449.74	10,698.67
(b) Other operating income	1.78	1.52	0.14	3.30	2.59	5.60
Total Income from operations (net)	**2,479.92**	**2,870.62**	**2,611.98**	**5,350.54**	**5,452.33**	**10,704.27**
2. Expenses						
(a) Consumption of raw materials	7.95	3.92	6.16	11.87	14.78	30.94
(b) Consumption of Stores & spares	61.54	61.77	39.80	123.31	93.49	257.99
(c) Changes in inventories of finished goods and work-in- progress	48.78	24.29	-48.65	73.07	-61.77	-184.33
(d) Employee Benefit expense	144.68	148.32	144.01	293.00	279.27	579.92
(e) Royalty & Cess	182.43	223.58	221.10	406.01	444.23	952.43
(f) Selling Exps incl. Freight out	366.44	291.07	212.67	657.51	248.77	818.00
(g) Depreciation and Amortisation	34.79	36.35	33.18	71.14	65.97	138.52
(h) Other Expenses	174.49	212.49	102.01	386.98	196.65	871.35
Total expenses	**1,021.10**	**1,001.79**	**710.28**	**2,022.89**	**1,281.39**	**3,464.82**
3. Profit from operations before Other income, finance cost & exceptional items (1-2)	1,458.82	1,868.83	1,901.70	3,327.65	4,170.94	7,239.45
4. Other income	538.37	520.91	583.08	1,059.28	1,135.22	2,238.87
5. Profit from ordinary activities before finance costs and exceptional items (3+4):	1,997.19	2,389.74	2,484.78	4,386.93	5,306.16	9,478.32
6. Finance cost	-	-	-	-	-	13.20
7. Profit from ordinary activities after finance costs but before exceptional items (5-6):	1,997.19	2,389.74	2,484.78	4,386.93	5,306.16	9,465.12
8. Exceptional Items	-	-	-	-	-	-
9. Profit from ordinary activities before Tax (7-8)	**1,997.19**	**2,389.74**	**2,484.78**	**4,386.93**	**5,306.16**	**9,465.12**
10. Tax expense	678.83	817.55	806.16	1,496.38	1,721.54	3,122.75
11. Net Profit from ordinary activities after tax (9-10)	1,318.36	1,572.19	1,678.62	2,890.55	3,584.62	6,342.37
12. Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13. Net Profit for the period (11-12):	**1,318.36**	**1,572.19**	**1,678.62**	**2,890.55**	**3,584.62**	**6,342.37**
14. Paid-up Equity Share Capital : Face value per share	396.47 Re1/-	396.47 Re1/-	396.47 Re1/-	396.47 Re1/-	396.47 Re1/-	396.47 Re1/-
15. Reserves excluding revaluation reserves						27,114.49
16.I &ii EPS for the period (Rs.)-Basic and diluted before and after extraordinary items	3.33	3.97	4.23 (Not Annualised)	7.29	9.04	16.00 (Annualised)

PART-II SELECT INFORMATION FOR THE QUARTER ENDED 30-09-2013

Particulars	Un-audited					Audited
	Three months ended			Six months ended		Year to date
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
A. PARTICULARS OF SHAREHOLDING						
1. Public share holding						
-Number of Shares	792,769,420	792,769,420	396,297,820	792,769,420	396,297,820	792,769,420
-Percentage of shareholding	20	20	10	20	10	20
2. Promoters and Promoter group shareholding						
a) Pledged/Encumbered						
- Number of Shares	-	-	-	-	-	-
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
b) Non Encumbered						
-Number of Shares	3,171,946,580	3,171,946,580	3,568,418,180	3,171,946,580	3,568,418,180	3,171,946,580
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
-Percentage of shares (as a % of the total share capital of the company)	80	80	90	80	90	80

Particulars	Three months ended 30-Sep-2013
B. INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	16
Disposed off during the quarter	16
Remaining unresolved at the end of the quarter	NIL

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(Rs. in Crore)

Particulars	Un-audited					Audited
	Three months ended			Six months ended		Year to date
	30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
1. Segment Revenue (net sale /income from each segment)						
a) Iron Ore	2,454.75	2,834.28	2,598.33	5,289.03	5,410.58	10,609.50
b) Other Minerals & Services	34.43	37.23	26.55	71.66	69.30	145.56
Total	2,489.18	2,871.51	2,624.88	5,360.69	5,479.88	10,755.06
Less: Inter segment revenue	9.26	0.89	12.90	10.15	27.55	50.79
Net sales / income from operations	**2,479.92**	**2,870.62**	**2,611.98**	**5,350.54**	**5,452.33**	**10,704.27**
2. Segment Results (profit (+) / loss (-) before tax and interest from each segment)						
a) Iron Ore	1,507.04	1,943.60	1,928.58	3,450.64	4,224.08	7,385.10
b) Other Minerals & Services	2.36	-7.65	14.23	-5.29	25.04	28.76
Total	1,509.40	1,935.95	1,942.81	3,445.35	4,249.12	7,413.86
Less: Interest	-	-	-	-	-	(13.20)
Add : Other unallocable income net off unallocable expenditure	487.79	453.79	541.97	941.58	1,057.04	2,064.46
Total Profit before Tax	**1,997.19**	**2,389.74**	**2,484.78**	**4,386.93**	**5,306.16**	**9,465.12**
3. Capital Employed (Segment assets-Segment Liabilities)						
a) Iron Ore	3,120.77	3,166.26	2,838.51	3,120.77	2,838.51	3,048.72
b) Other Minerals & Services	93.39	88.30	103.40	93.39	103.40	106.38
c) Other Offices	27,291.39	25,932.39	25,141.65	27,291.39	25,141.65	24,454.11
Total	**30,505.55**	**29,186.95**	**28,083.56**	**30,505.55**	**28,083.56**	**27,609.21**

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Crore)

Particulars	Unaudited	Audited
	Six monthsended	Year to date
	30-Sep-13	31-Mar-13
A. EQUITY AND LIABILITIES		
1.Shareholders' funds		
a) Share Capital	396.47	396.47
b) Reserves and Surplus	30,005.01	27,114.49
Shareholders funds	**30,401.48**	**27,510.96**
2.NON-CURRENT LIABILITIES		
a) Deferred Tax Liability (Net)	109.44	104.49
b) Other Long term Liabilities	41.70	30.78
c) Long- term provisions	13.44	12.38
Non-current liabilities	**164.58**	**147.65**
3.CURRENT LIABILITIES		
a) Trade payables	154.66	160.76
b) Other current Liabilities	985.13	1,214.53
c) Short term Provisions	1,860.68	1,860.39
Current liabilities	**3,000.47**	**3,235.68**
TOTAL - EQUITY AND LIABILITIES	**33,566.53**	**30,894.29**
B.ASSETS		
1.NON-CURRENT ASSETS		
a) Fixed Assets	5,230.71	4,500.75
b) Non-current investments	249.67	249.67
c) Long term Loans and Advances	564.79	545.45
d) Other non-current assets	5.37	5.37
Non-Current Assets	**6,050.54**	**5,301.24**
2.CURRENT ASSETS		
(a) Inventories	615.67	637.46
(b) Trade receivables	1,174.44	1,082.21
(c) Cash and bank balances	22,519.63	21,025.75
(d) Short term Loans and Advances	2,210.36	2,058.10
(e) Other Current Assets	995.89	789.53
Current Assets	**27,515.99**	**25,593.05**
TOTAL-ASSETS	**33,566.53**	**30,894.29**

NOTES:

1. The financial results have been reviewed and recommended by the Audit Committee at its meeting held on 24-Oct-2013 and approved by the Board of Directors at its meeting held on 24-Oct-2013.
2. The export of Iron ore during the current six months was 12.04 Lakh tons as against 3.75 Lakh tons of corresponding period of previous year. Due to this increase of export of Iron ore by 8.29Lakh tons, the selling expenditure has gone up by Rs.388.45 cr. Further, on account of Hon'ble Supreme Court judgment dated 18th Apr 2013 on illegal mining cases at Karnataka, 10% of sale proceeds of Donimalai sector amounting to Rs.125.07 cr (Previous corresponding period NIL) has been accounted in 'other expenses' in the current six month sperlod, towards contribution of Special purpose vehicle to be formed in Karnataka.
3. The Board of Directors has approved in its meeting held on 24-Oct-2013, an Interim dividend of Rs.3/- per equity share of Re 1/-, for the financial year 2013-14.
4. Figures for the previous period have been regrouped wherever considered necessary so as to conform to the classification of the current period.
5. The above results are subject to limited review by the Statutory Auditors.

For and on behalf of
NMDC Limited
Sd/-
(C.S.VERMA)
Chairman-cum-Managing Director

Place : New Delhi
Date : 24 Oct, 2013

NMDC Limited
(A Government of India Enterprise)
Regd. Office: "Khanij Bhavan", 10-3-311/A
Castle Hills, Masab Tank, Hyderabad-500028
www.nmdc.co.in

₹5,000 crore plus order book, municipal orders account for 60 per cent. When Mittal started business 15 years ago, he was more focused on the industrial segment but has gradually shifted emphasis to the municipal sector.

"You would expect us to earn more from industry but that is not the case," says Mittal. "Corporate houses negotiate very hard. Municipal orders are more rewarding and the size of projects is bigger." Such contracts can involve either domestic wastewater treatment or making water potable. For Mittal's company, the former comprises 65 per cent of municipal orders and the latter, the rest.

The biggest consumer of water, however, is neither the domestic nor the industrial sector, but agriculture, taking up about eight times as much water as the other two put together (see *Watershed*). But domestic and industrial water requirements are increasing at a much more rapid pace than that of agriculture and are expected to double by 2030, while agriculture's will rise only 11 per cent. Overall, demand is expected to soon outstrip supply.

Rapid urbanisation has led to a surge in wastewater treatment and drinking water projects, says S.N. Subrahmanyan, whole time Director and Senior Executive Vice-President (Infrastructure and Construction), Larsen & Tourbo (L&T). All of them were initiated by municipalities and various urban water infrastructure boards. "This sector contributes close to 100 per cent of revenue in our wastewater segment. It also has a significant share in our water supply and distribution segment," he adds.

L&T recently bagged a ₹1,017-crore project in rural Rajasthan to supply drinking water to 650 villages. But urban water management is more attractive for companies. "Maintaining status quo in the water sector is no longer an option for most of the developing countries. The beginning of the change is visible and there is good reason to believe that water will be an important investment theme for public, multilateral and private financial institutions in the coming decades," says E&Y in its report.

Wastewater treatment has been a largely neglected area because municipal bodies cannot charge water users for the service. They can, however, do so for potable water projects. So, while municipal bodies often do get funding for wastewater treatment projects, operating and maintaining treatment plants is still a challenge. If a municipality has to manage a sewage plant which cleans 60 million litres of water daily, the annual cost is around ₹3.3 crore. Power is the single biggest cost.

To streamline costs, companies like VA Tech Wabag have built captive power plants which utilise the sewage. Consider the recently inaugurated 45 million gallons per day Kondli Sewage Treatment Plant it built for the Delhi Jal Board. "Our plant can generate 2 MW of power from sewage and will not need a single unit from the grid. The only cost that remains is manpower, chemicals, etc," says Mittal. The green energy generated from such projects is also eligible for carbon credits. Business models like these can make projects viable.

Though the metros are waking up to the challenges of wastewater management, smaller cities still lag behind. "We have a long way to go. We have only now started talking about Tier II and III cities," says Mittal. According to industry estimates, Indians on average use 120 to 125 litres (33 gallons) of water daily, about half of this becomes wastewater. If harnessed, this can generate 940 MW power.

BIG DEALS

₹1,141 CRORE
Water business related orders with L&T in September 2013

₹1,000 CRORE
Water treatment orders VA Tech Wabag bagged in the first quarter of FY14

₹600 CRORE
Triveni Engineering's current water business order book

Leadership & Beyond...

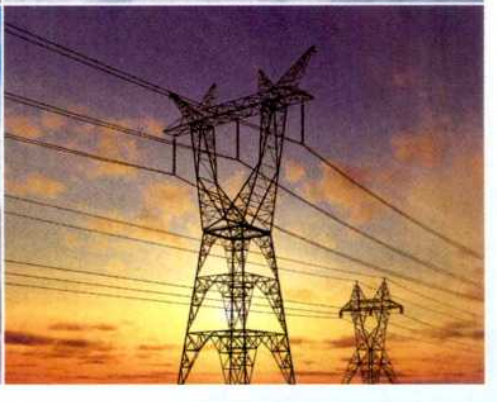
दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
The New India Assurance Co. Ltd

(Wholly owned by the Govt. of India)

India's Largest General Insurance Company

Achieves Global Premium-2012-13
₹ 12,500 Crores

A.M. Best Financial Strength Rating "A-Excellent" (Stable)



- Highest Net Premium Rs. 10,274 Cr
- Highest Net Profit Rs. 844 Cr
- Highest Net Worth Rs. 7737 Cr
- Highest Assets Rs. 45,000 Cr
- Only Indian General Insurance Company to have presence in 22 countries

Online Customer Portal Launched

New India Assurance Online
online.newindia.co.in

online.newindia.co.in

Awards for Excellence in Insurance Sector

- SKOCH Award for Financial Inclusion
- SKOCH Merit Certificate for IT System
- Best Health Insurer Award by Outlook Money
- Claims Initiative of the year in Africa for Mauritius Branch
- Dalal Street Journal's Award for Consistent Performance in Financial Sector

- Network of 1594 Offices in India including Regional Offices, Divisional Offices, Branches, Direct Agent Branches & Micro Offices
- New India Customer - An Android App for easy renewal
- Market Leader in Business & Financials for last four decades !
- High Solvency Margin

Head Office: New India Assurance Building, 87, M. G. Road, Fort, Mumbai - 400 001 INDIA

Personal | Commercial | Industrial | Liability | Social | Rural | Credit Insurance

24x7 - Toll free number 1800-209-1415 | www.newindia.co.in

"Our plant can generate 2 MW of power from sewage and will not need a single unit from the grid"

RAJIV MITTAL, CHAIRMAN & MD, VA TECH WABAG

The Planning Commission, in its 12th Five Year Plan, for the period ending in 2017, has said that an investment of $26.5 billion is required to provide safe water to all Indians. The country will need consulting and engineering services support in water technology, including desalination and treatment of wastewater. Though the situation is better than before, funding for municipal projects is still a challenge. Therefore, companies prefer to take up projects initiated by the central government or funded by multilateral agencies. "A majority of the water-related projects are being executed for government bodies with JNNURM, Japan International Cooperation Agency, Asian Development Bank and World Bank funds. Hence revenue and cash flow have been reasonable," says Subrahmanyan of L&T. (JNNURM stands for Jawaharlal Nehru National Urban Renewal Mission.)

Triveni Engineering, another company in the water sector, focuses on sewage treatment in municipalities and desalination projects. "We do half municipal and half industrial. The order book is skewed towards municipalities since these projects have longer gestation periods. We are bullish on this sector and are positioning ourselves as a niche technology player," says Executive Director Nikhil Sawhney. Last year, Triveni secured an order to set up a 100 million litres per day sewage treatment plant from the Haryana Urban Development Authority (HUDA). Triveni's water business has an order book of over ₹600 crore.

Recycling and reuse of wastewater is gaining acceptance. It has also been encouraged by the Water Policy 2012. According to Mittal, industries in coming years will have to rely mostly on reuse of water and in some cases may even have to buy recycled water. Mittal's company has bagged a project in Tuticorin from the Tamil Nadu government to set up a sewage treatment and solid waste treatment plant. "We bagged the contract for just a crore. We will build the plant free, take ownership and operate. The treated water will be sold to industries and that will bring us revenue," says Mittal. This will be a first of its kind experiment in the country, he claims.

Currently, treated sewage water is being consumed primarily in industrial sectors but in future it may very well find acceptability as potable. "In Singapore, you get sewage recycled water everywhere. In Namibia, we have a 12-year old plant that treats sewage water and people consume it. The time is not far off when in India you will have no choice but to do it," says Mittal. ◆

WATERSHED

Demand for water in India is expected to surge in the future

SECTOR	DEMAND IN 2010	ESTIMATED DEMAND IN 2030
DOMESTIC	34.05	66.44
INDUSTRY	40.86	91.63
AGRICULTURE	606	674

Figures in billion cubic metres SOURCE: E&Y

Send your comments to editor.bt@intoday.com

CORPORATE STAY SOLUTIONS

NO ONE UNDERSTANDS CORPORATE ACCOMMODATION, THE WAY WE DO...!

Laurent & Benon
CORPORATE STAY SOLUTIONS

SMS LNB to 56161

Service Apartments Locations

Mumbai | Delhi | NCR | Chennai | Daman | Hyderabad | Bangalore | Goa | Pune

Laurent and Benon

E: info@laurentandbenon.com | W: www.hospitalitybusiness.co.in

business today
POWER BREAKFAST
in association with
The Oberoi Group

It's All About Governance

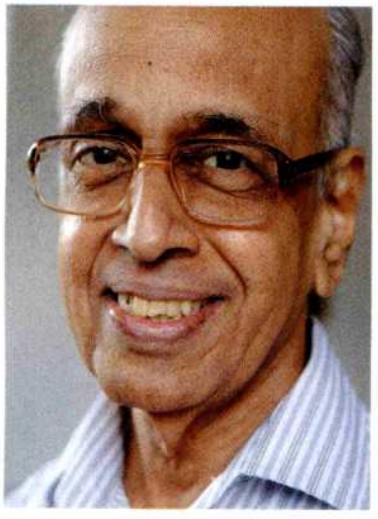
A responsive government is crucial for efficient infrastructure, say CEOs at *Business Today's* power breakfast in Chennai. By N MADHAVAN

PHOTOGRAPHS BY H.K. RAJASHEKAR

Cup half full: (Standing, from left) CavinKare's C.K. Ranganathan, BankBazaar.com's Adhil Shetty, N. Ramanathan of Ponni Sugars, Renault India's Marc Nassif, C. Venkat Subramanyam of Veda Corporate Advisors, Cognizant's R. Chandrasekaran, and Amit Khare of the Trident, Chennai. Seated: Shriram Group's R. Thyagarajan and *BT* Editor Chaitanya Kalbag

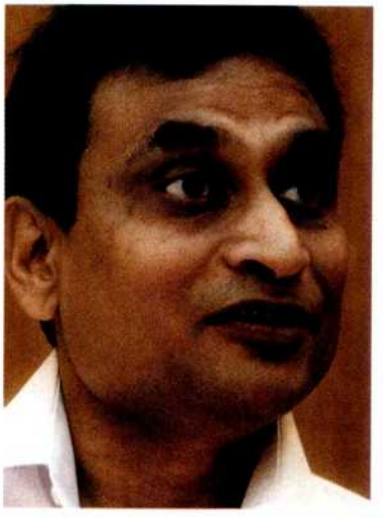
The early morning monsoon drizzle over an overflowing pond offered a picturesque sight to those assembled in the Alaap Hall at Chennai's Trident Hotel on Tuesday, October 22. In the hall, the discussion focused on another kind of overflow – the problem of inadequate infrastructure. The hall was the venue of *Business Today's* Power Breakfast organised in association with The Oberoi Group, and the topic was "Infrastructure is a millstone around industry's neck".

This Power Breakfast, like the previous ones in New Delhi, Hyderabad and Mumbai, had top CEOs from diverse fields in attendance. Among those present were R. Thyagarajan, Founder of the Shriram group, C.K. Ranganathan, Chairman



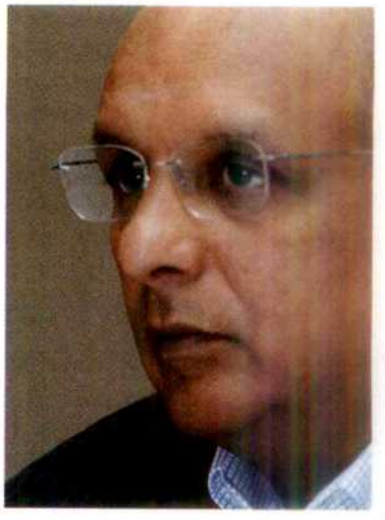
R. Thyagarajan,
Founder, Shriram Group

To improve infrastructure efficiency, we need to reduce ... the size of the government



C.K. Ranganathan,
CMD, CavinKare

The government is control-oriented, rather than facilitator-oriented



R. Chandrasekaran, Group Chief Executive, Technology & Operations, Cognizant

Our overall approach is a Band-aid approach

and Managing Director of CavinKare, R. Chandrasekaran, Group Chief Executive for technology and operations at Cognizant Technology Solutions, and N. Ramanathan, Managing Director, Ponni Sugars.

Marc Nassif, Managing Director, Renault India, brought in the MNC perspective, while Adhil Shetty, CEO, BankBazaar.com, represented e-commerce, and C. Venkat Subramanyam, Founder Director, Veda Corporate Advisors, represented private equity funds, which are increasingly financing infrastructure projects.

The discussion, moderated by *Business Today* Editor Chaitanya Kalbag and hosted by Amit Khare, General Manager of the Trident, Chennai, continued over a sumptuous breakfast spread that included Indian and European cuisine.

India's infrastructure story had both good and bad things to talk about, said Cognizant's Chandrasekaran. "Our overall approach to infrastructure is a Band-aid approach. We have no planning or preparation for long-term growth," he said. He referred to the case of Chennai Airport, where the new terminals are ready, but the delay in readying the second runway has meant that airlines cannot operate more flights. A more holistic approach to infrastructure would help, he added.

The good part, in his view, was how educational infrastructure scaled up over the years, enabling the IT sector to grow rapidly. But of late, the sector has fallen short, he said. "We need to shift the concept of teaching, from teaching to learning. We need more thinkers," he said.

Shetty of BankBazaar.com said the country's electronic infrastructure was world-class, and added that the metrics of his company's e-portal matched those of Google with no productivity losses. He also added that companies are now trying to take advantage of this development to leapfrog out of the otherwise difficult infrastructure situation.

The discussion on what is good about India's infrastructure ended rather quickly, and the focus on shortcomings returned to the discussion. Ramanathan of Ponni Sugars bemoaned the neglect of rural infrastructure. The sugar sector, which predominantly operates in rural areas, is struggling to find top-grade engineers, due to the lack of good education and health infrastructure. Power cuts have added to the sector's woes, as they affect irrigation.

"Agricultural infrastructure is as important as urban infrastructure, but it has been constantly neglected," he said. The sugar industry, he added, sees cycles of alternating surplus production and shortage. This cycle could be broken if the industry could export sugar during times of surplus. But that is physically impossible, as the country's ports are not equipped properly. "Brazil exports three million tonnes of sugar every year. We can't export even a tenth of that," he said.

Thyagarajan took the discussion to another plane by asking if the pro-

Marc Nassif,
MD, Renault India

We have designed our processes to be efficient ... thus reduce dependence on infrastructure

Adhil Shetty,
CEO, BankBazaar.com

Our electronic infrastructure is world class. People are using it to leapfrog difficult physical infrastructure

N. Ramanathan,
MD, Ponni Sugars

Brazil exports three million tonnes of sugar every year. We can't export even a tenth of that

vision of adequate infrastructure alone is enough to generate growth. He pointed out that India's road infrastructure has improved tremendously in the last decade, but that has not sharply reduced the time it takes to transport goods, due to inter-state bottlenecks. The issue, he said, was the efficiency of the infrastructure, and not the quantum of investment. "To improve the efficiency of infrastructure we need to reduce rules and regulations. For that, we need to reduce the size of the government," he said. "An IAS officer once told me that government regulations are not for enforcement but for encashment."

CavinKare's Ranganathan seconded Thyagarajan's view. "The government is control-oriented, rather than being facilitator-oriented," he said. "Various arms of the government don't communicate with each other, and projects are held up."

Multinational companies such as Renault have found ways to deal with this challenge. Renault's Nassif said: "We have designed our processes to be efficient. Our plant at Oragadam has a 3-Wet painting process which reduces energy consumption significantly, and thus dependence on infrastructure." This process eliminates a few stages in painting, and also reduces effluent discharge. Renault is developing products that address infrastructure shortcomings, such as a stronger suspension that can handle rough roads, or tuning the engine to handle poor quality diesel. But the company could do with better port infrastructure in Chennai.

C. Venkat Subramanyam, Founder Director, Veda Corporate Advisors

Attractive tax policies will help, but will not be effective now as investors see no stability in the tax regime

Thyagarajan said the bulk of the responsibility for infrastructure lay with the government, and accountability in implementation was needed. Otherwise the country will see peripheral improvement, he added. Nassif said public-private partnership was the way forward.

On funding, Subramanyam said private equity funds invested heavily in infrastructure between 2004 and 2008. But they did not realise infrastructure required patient capital (one cannot expect returns in a couple of years), and cost of capital had to be kept low. The funds, he hoped, had learnt a lesson. This was critical, as the private sector had a large role to play, he added.

The 12th five-year plan estimated that 48 per cent of ₹50 lakh crore of infrastructure funding would come from the private sector. "The bulk of it will have to come from capital markets, private equity funds and multilateral agencies," Subramanyam said. "We need to see a revival in the market for this to happen. Sentiment has to improve. Attractive tax policies will help, but will not be effective now as the investors do not see stability in the tax regime." ◆

www.wavecitycenter.com

WAVE City Center
Sector 32 & 25A, Noida.

EMINENCE

ONLY FOR SELECT FAMILIES WHOSE
LIFESTYLE REDEFINES PANACHE

SALIENT FEATURES:

- 3 & 4 bedroom Ultra Luxury Serviced Residences & Penthouses
- Available in sizes – 285.59 sq. mtrs. & 396 sq. mtrs.
  (1 sq. mtr. = 10.764 sq. ft.)
- Exclusive clubhouse with a swimming pool
- Concierge & house keeping services on demand

HOME LOANS ARE AVAILABLE FROM

ICICI Bank Home Loans | khayaal aapka · HDFC HOME LOANS · Canara Bank · Indiabulls HOME LOANS · L&T Finance Home Loans · Vijaya Bank · Dena Bank

Construction partner:
LARSEN & TOUBRO
It's all about Imagineering

WAVE MEGA CITY CENTER, PLOT NO 1, BLOCK CC-1, SECTOR 25A & 32, NOIDA (U.P.) - 201301
SMS 'WCC' to 56677 | Follow us on /wavecitycenterindia | **Toll Free: 1800 102 8662**

A Venture of WAVE Infratech

PLAYING THE SOCIAL TUNE

EXECUTIVE SUMMARY

Spotify is a rising technology venture which, since its public launch in 2008, has disrupted the way music is distributed. It allows users to listen to music online and share playlists with friends. It also provides an offline service. What differentiates Spotify is not just its product but also its social media marketing strategy. This case study looks at how Spotify evolved its use of marketing tools in keeping with the evolution of the music industry, as well as changes in the way companies and customers now communicate with one another.

By RAOUL BOSTRÖM, KIERAN BYRNE, BIDISHA CHAKRABORTY, JUAN LUIS UGARTE and SKEE YAGI

The Internet has been disrupting and revolutionising the global music industry all through the past two decades, The traditional pre-recorded forms of music distribution have been heavily substituted by illegal file sharing, downloadable tracks and, more recently, cloud-based streaming. These changes have significantly reduced the music industry's revenues, which in turn has forced industry players to drastically rethink their strategies and come up with a mass of innovative business models.

The revolution began with the development of the .mp3 format in the mid-1990s. It provided a means to store audio in a compressed format that was far smaller than uncompressed audio. With the relatively small hard drives of the time, this enabled people to store their music collection on their personal computers, and create their own compact discs of mixed compilations.

The natural progression from the .mp3 was the development of Internet-based file sharing platforms. Beginning with Napster, launched in 1999, many large-scale file sharing applications proliferated, all designed to help the illegal sharing of .mp3 files. They cannibalised sales in the traditional music distribution platforms. Many artists and record labels filed lawsuits against the offending companies, and also against individual users exploiting the platforms. Although some progress was made in curbing the use of these sites, there are still today an estimated 16 million Americans who download pirated music.

One of the first companies to try to legitimise downloading of individual tracks was Apple, which opened its iTunes music store in 2002 to complement its iPod device. The store was an immediate success, with more than five million songs downloaded in the first two months. This provided an attractive proposition to consumers as they could legally obtain access to preferred songs with no need to buy an entire album.

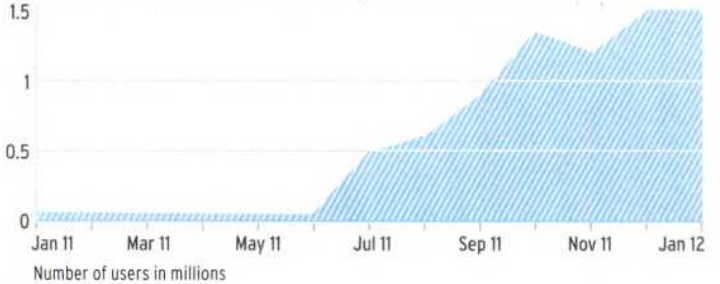
The rapid rise in broadband speed and penetration in recent years has opened up the possibility of cloud computing, which allows access to files without the need for local storage. Access to the cloud has spawned a number of start-ups such as Spotify and Grooveshark. These providers allow access to an almost endless database of music to users, which can be pushed to computers and other devices connected to the Internet. These sites have a range of revenue models which tend to revolve around subscription services and advertising while a user listens, which enables them to pay royalties to artists. But this continues to be criticised as the royalties paid are said to be miniscule. For instance, Spotify reportedly paid Lady Gaga only $167 for one million streams of her single *Poker Face*.

Development of the Spotify technology began in 2006 at Spotify AB, the founding company based in Stockholm, Sweden. In October 2008, the founding team launched the technology for public access, launching the paid subscription model at the same time. The initial public access was by invitation only. The company also announced licensing deals with a number of major record labels at the time.

In February 2009 Spotify launched free registration without an invitation in the UK. It also launched its mobile technology offering in 2009. This resulted in a surge in users, leading to a suspension of free registration for the remainder of 2009. The mobile technology re-

Networking works

The number of unique visitors on spotify.com jumped in the second half of 2011 after its tie-ups with social media sites



PHOTOGRAPHS BY SHEKHAR GHOSH

SPOTIFY MUST MOVE CUSTOMERS FROM FREE USE TO SUBSCRIPTION

Spotify, Deezer and other leading digital music companies have more similarities than their large catalogues of music and incredible user growth. All these companies also have a split customer base. The first group is that of subscription users who pay for high-quality services like unlimited listening and higher audio quality. These customers are extremely valuable because they are profitable and are often champions of the company. The second set is of free users who are either testing the service or simply taking it for granted. These free customers are frequently supported by advertising revenue, but are still a financial drain.

One of the main challenges for Spotify is moving users from free to subscription. Convincing users to pay for music, any music, has been a growing challenge since the introduction of the cassette tape. Early reports had Spotify converting only seven per cent of consumers to the paid model, although recent estimates have placed them in the 20 to 25 per cent range.

Spotify needs to provide value that a free music sharing service can't deliver. There are a few ways that Spotify can shift users to the paid model. First, it needs to provide a strong level of user engagement. Here, Spotify has been very successful. Its Facebook integration, social music sharing and artist integration has created a tightly knit feeling and produces highly embedded users. Second, it needs to provide value that isn't easily replicated. A successful example is its mobile integration. While Pandora needs a stable Internet connection, Spotify has "offline" options that allow users to take their music on the go across multiple platforms. Third, Spotify needs to make sure free users don't take advantage of its products. While in some countries there is a restrictive time cap on free users, Americans are only constrained by an occasional ad, which creates an attractive free service.

"Convincing users to pay for music, any music, has been a growing challenge since the introduction of the cassette tape"

ISAAC DINNER
Assistant Professor of Marketing, Kenan-Flagler Business School, UNC-Chapel Hill

mains a "premium" paid-for service, but Spotify returned to free registrations without invitation by 2010. The parent company moved from Stockholm to London, and is now called Spotify Ltd. The development and research work is still undertaken in Sweden. By September 2010, Spotify had about 10 million users. Its growing popularity highlighted the need for further investment in research and development.

Spotify received $21.6 million in its first round of funding in 2008, prior to the launch of the public access service. The first round was funded by Creandum Northzone Ventures, a technology-focused Nordic venture capital (VC) firm, and Li Ka-Shing, an angel investor and the 11th richest man in the world as estimated by Forbes 2011. The second round of funding for $50 million came in 2009. Li took part again in this round, along with VC firm Wellington Partners.

Sean Parker and Founder's Fund, where Parker is a board member and one of six partners, participated in the third round of funding for $11.6 million in early 2010. The final funding round took place in 2011, for $100 million, between Accel Partners, Digital Sky Technologies, which funded Facebook and Groupon, and

Kleiner Perkins Caufield and Byers, who were early investors in Amazon and Google. These funding rounds, along with the rapid user addition globally, meant the company was valued at $1 billion in June 2011.

In 2009, Spotify's founding team of CEO Daniel Ek and Martin Lorentzon expanded the company's board to include Frank Meehan from Horizon Ventures and Sean Parker, the serial entrepreneur linked to Facebook and Napster, among other social media start-ups. In 2011, Spotify added the position of Developer Community manager, hiring Andrew Mager, another serial entrepreneur and blogger with prominence in social media networks.

One reason Spotify has been adding users rapidly is its tie-ups with

social media sites. An active Facebook account is needed to register, unless the user had a Spotify account prior to September 2011. With its Facebook page and Twitter stream, Spotify communicates with users the same way many firms use social media to promote their products and gain feedback. Beyond these established forms of social media marketing, Spotify has introduced several innovations. It has incorporated social media extensively into its product, relying heavily on Facebook in particular to enhance the user experience.

Spotify adopts a traditional approach to managing its own social media feeds. Says Andre Sehr,

SPOTIFY IS OVERDEPENDENT ON FACEBOOK AND TWITTER

Spotify is using social media for several marketing functions – to identify trending new music, create awareness, distribute music, etc. But it fails in brand building and publicity disaster management. Spotify is accused of 'killing the golden goose' by not paying artists their due share of revenue and is often in the midst of poor publicity in social media. Artists are pulling off Spotify and tweeting negative messages. The company dismisses such allegations and claims it shares more than 70 per cent of revenue with artists' agents.

Unlike Napster, Spotify owns music rights (albeit through agents) and this is perhaps one of its competitive advantages. But the business model itself is not unique, as it is trying to make money from popular music which is also available in pirated form. Spotify is overdependent on Facebook and Twitter. Whether it is intended (probably Spotify will be a great buy for Facebook eventually) is a question. Perhaps there is value in exploring other social media or make its own website a social media platform. Of course, there are not many successful examples of private and brand-specific social media such as *gangofgirls.com* of Unilever or *beinggirl.com* of Procter & Gamble.

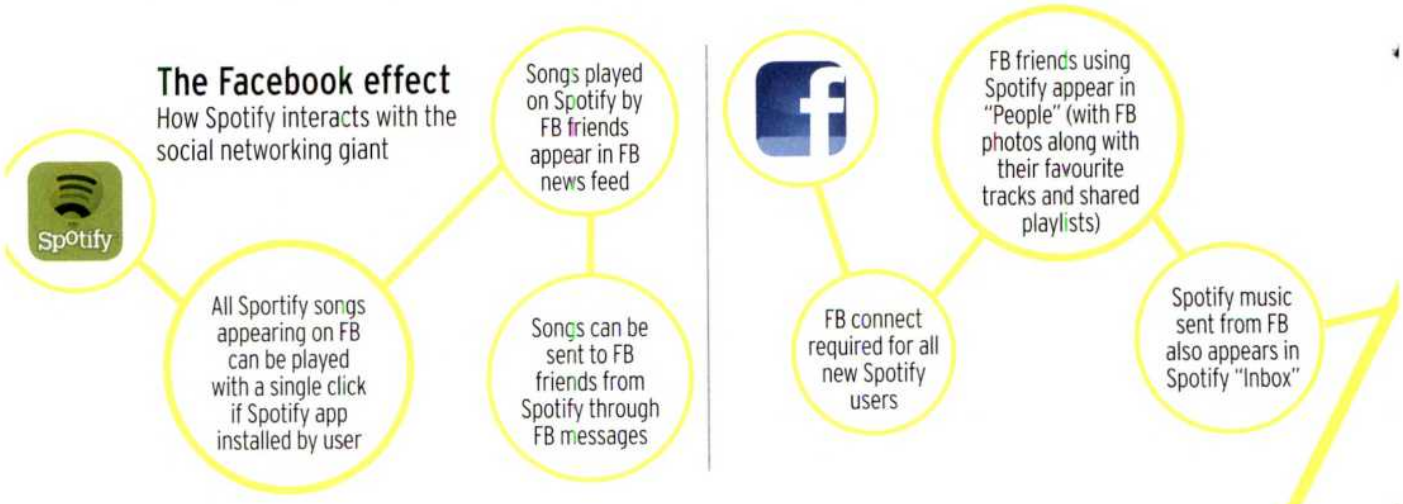
The other probable area for improvement is whether it is using social media for other marketing functions, such as to build brand equity; it appears to be more to create awareness than brand stickiness. Also, mobile phones have become an integral part of life for today's youth. Perhaps, Spotify should reduce its reliance on Facebook/Twitter and move to other social media tools on the mobile. What is also unclear is how Spotify uses social media data to its advantage.

"Spotify is accused of... not paying artists their due share of revenue and is often in the midst of poor publicity in social media"

JAYARAM K. IYER
Chief Strategy Officer, Matrimony.com

The Facebook effect

How Spotify interacts with the social networking giant



Spotify's Head of Social Media: "[Facebook and Twitter] both provide us with a platform to promote new artists and albums, talk about great new Spotify features and get valuable feedback to improve our product." In addition, Spotify tries to drive social media users to its premium service by promoting on Facebook and Twitter before releases unique content and competitions that only premium Spotify users can access.

Spotify's Facebook page has 2.4 million "likes" and an average of one post per day, primarily about bands who played or visited Spotify offices, and curated playlists for bands performing at festivals and award shows that can be listened to via Spotify. On Twitter, Spotify's stream has 264,000 followers and an average of four to five tweets per day. There is a much higher level of engagement than on Facebook. On Twitter, Spotify answers users' questions, retweets music-related tweets by both regular and celebrity users such as Ashton Kutcher, and even sends users playlists made for them.

Spotify has used social media feeds to generate buzz among users. When Spotify launched in the US in 2011, it was by invitation only. As demand for Spotify in the US was high, following its success in Europe, it used scarce invitations as a carrot for social media users to hype up the launch. It also teamed up with Klout, a site that rates peoples' influence within Twitter, Facebook and LinkedIn, to provide 100,000 invites to US users. Klout users could get an invite if they had a high enough Klout score, ensuring Spotify reached users who were most likely to share thoughts through social media with communities that value their opinion. Interest in securing Spotify invites was so high that the Klout website crashed due to user overload.

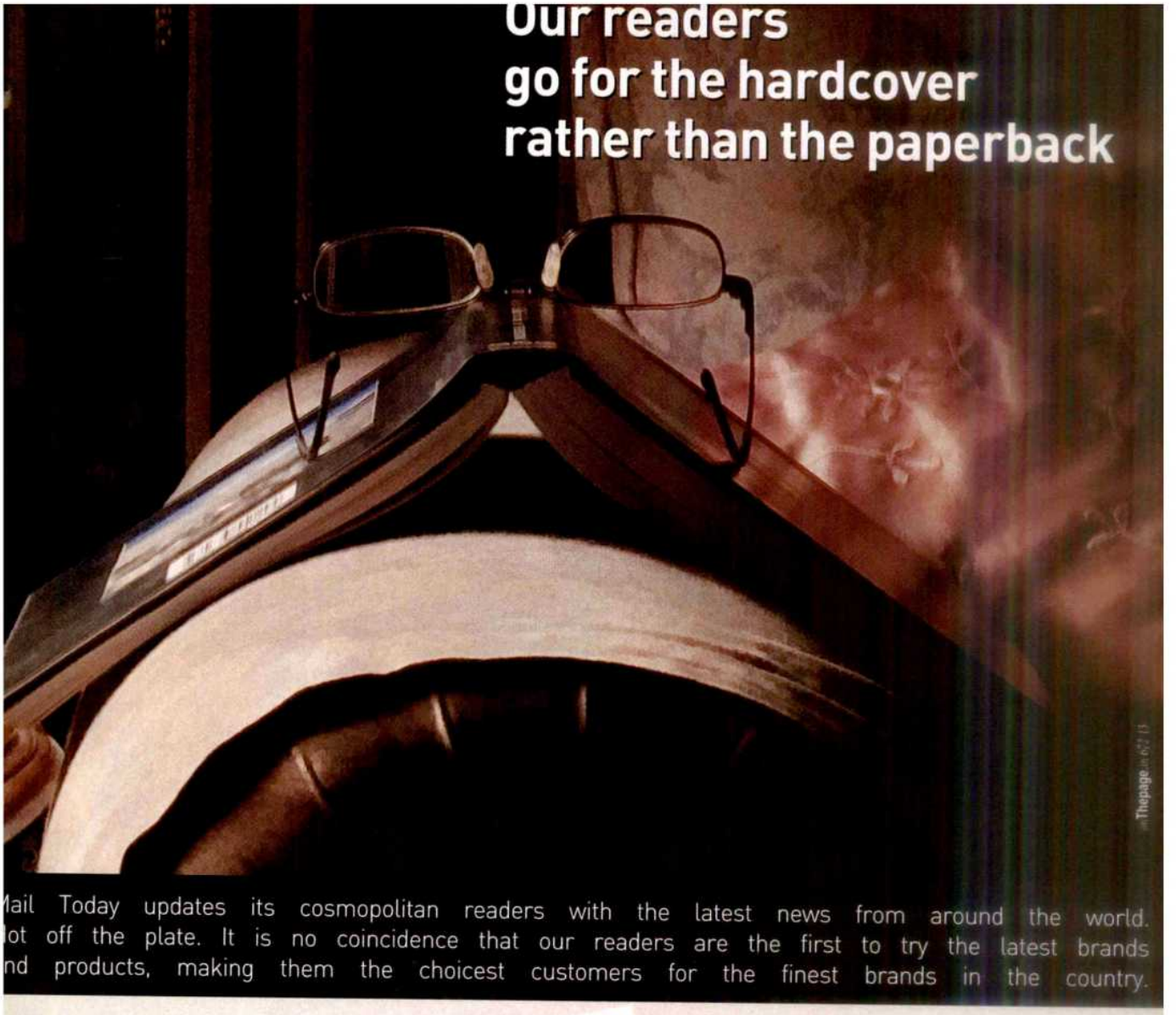
Spotify has deeply integrated its service with Facebook. It has adapted its business model to ensure that this integration attracts users. Spotify and Facebook are now embedded in each others' platforms, enhancing the value of both. Music can be shared seamlessly between friends.

Ahead of the launch of its integration with Facebook, Spotify changed its core pricing model. Spotify had initially been adopted mostly by music fans who valued the ability to listen to a wide variety of music on demand. As usage of Spotify began to appear in Facebook users' news feeds, Spotify gained exposure to a much larger audience than would have previously been aware of the product. Previously, users with free, or ad-supported, accounts were restricted to 10 hours listening per month and five plays of any song. To attract new users and prevent any time or song limit issues when users clicked on songs appearing on Facebook news feeds, Spotify began to allow six months of unlimited listening on free accounts.

Spotify's innovations in social media are driven by the belief that music is social. Indeed, music has become truly social. ◆

(This case study is from the Aditya Birla India Centre of London Business School.)

What can we learn from Spotify's social media marketing strategy? Post your comments at www.businesstoday.in/casestudy-spotify. The best response will win a copy of **Marketing As Strategy** *by* ***Nirmalya Kumar****. Previous case studies are at www.businesstoday.in/casestudy.*



lail Today updates its cosmopolitan readers with the latest news from around the world. lot off the plate. It is no coincidence that our readers are the first to try the latest brands nd products, making them the choicest customers for the finest brands in the country.

MAIL TODAY

Read by those who matter

LAST BUT NOT LEAST

RIGHT CLICK 115 BOOKS 116 PEOPLEBUSINESS 122

INDIAN MARVEL

A trio of comic-crazy Indian-American entrepreneurs seeks to put Indian superheroes on the global map. By AJITA SHASHIDHAR

Group of robbers armed with high-tech weapons targets passengers on a train in Mumbai. Its plans are foiled by a teenager who jumps out of the sky wearing a body suit that harnesses his yogic superpowers. After handing over the robbers to the police, the boy rushes home worried that he will get a scolding from his elder brother if he is not on time to cook dinner.

The humble teenager is Raju Rai, who lives with his brother Sameer and transforms into superhero Chakra–The Invincible whenever Mumbaikars are in trouble. Some might say there is nothing new about an Indian superhero, what with characters such as Nagraj and Super Commando Dhruva enthralling millions of Indians for many years now. But Chakra is different. Why? Its creators are projecting him as India's first international superhero.

Chakra was co-created by Stan Lee – the man behind iconic characters like Spider-Man and Iron Man – and Sharad Devarajan, who set up digital entertainment company Graphic India along with fellow Indian-American entrepreneurs Gotham Chopra and Suresh Seetharaman. The legendary Lee's association is not the only factor that differentiates Chakra from other Indian superheroes. The story-telling is much more contemporary. "I expect Chakra to appeal to readers around the world – not just India," says Lee (see *Chakra will appeal to readers globally*). "I try to create characters that connect with the basic human struggles and challenges which are relatable to people from Mumbai to Manhattan."

The Chakra comics hit the stands last year, first in the US and then in

Our characters will have origins in India but they will speak to people from Beijing to Boston

Sharad Devarajan, CEO, Graphic India

Rajesh Kamath
CEO, CA Media

NISHIKANT GAMRE

For Stan Lee's full interview, go to
www.businesstoday.in/stan-lee

"Chakra will appeal to readers globally"

Comic legend **Stan Lee** *has created iconic characters such as Spider-Man, Iron Man and X-Men. In an email interview with* **Ajita Shashidhar**, *Lee talks about the creation of Indian superhero Chakra – The Invincible. Edited excerpts:*

What made you create a character that is set in India?
I've always been fascinated by Indian culture. It's so philosophical and rich in tradition and morality.

How is Chakra different from your other superheroes?
They [the superheroes] all have different powers, different motivations and different backgrounds. While I want Chakra to have all the elements that have made my other superhero characters popular, I still want him to be totally unique— as each of them are.

Why do you think Indian characters have not appealed to a global audience so far?
I expect Chakra to appeal to readers around the world — not just India. I try to create characters that connect with basic human struggles and challenges which are relatable to people from Mumbai to Manhattan.

Do you think Chakra will be able to create the same magic as Spider-Man?
If I didn't think so I'd never have attempted this project.

India. Come November, children's channel Pogo will begin airing an animated series on the superhero. Lee and Devarajan are also in talks with a Hollywood studio to make a film on Chakra. "We want to package India in a way that has never been done before," says Devarajan, without revealing details of the discussions with the studio.

The comics are currently distributed free of charge, but will later be priced at ₹400 for an 80-page issue. Will they sell at this price, considering that an Amar Chitra Katha book costs ₹50? "Most Indian comics are cheaply produced. The illustrations are tacky and the stories are not compelling," says Paul Vinay Kumar, Publisher at Westland Ltd, which publishes the Graphic India comics. "But if you have a good story and present it well, people will not hesitate to pay."

Devarajan and his two partners are not new to comics. In 2006, the trio set up Virgin Comics in association with British billionaire Richard Branson. They bought out Virgin Comics in 2008 and renamed the company Liquid Comics. Graphic India was set up in 2011 as a unit of Liquid Comics. In January, it sold a minority stake to CA Media, the Asian investment arm of private-equity firm The Chernin Group. Rajesh Kamat, CEO of CA Media, says the one thing that appealed to them about this business was the multi-dimensional play. "They are not restricted to one platform. They are there in print, television, online, live action films and will soon expand to merchandise."

Apart from Chakra, Graphic India has two more Indian superhero characters – Devi and Sadhu. Devi, created by acclaimed filmmaker Shekhar Kapur, is about a woman endowed with divine powers. Sadhu was created by Gotham Chopra, son of self-help guru Deepak Chopra. It is about a British soldier, who acquires supernatural skills while living with ascetics after his family is murdered. While Chakra appeals to kids from seven to 12-year-olds, Devi and Sadhu are targeted at grown-up audiences, on the lines of the Iron Man and the Avengers. Graphic India, says Devarajan, also wants to take the characters across platforms – publishing, TV, digital and live action films. Like Chakra, the company is in talks with Hollywood studios to convert Devi and Sadhu into live action films. The web series of Devi was recently aired on YouTube. Devarajan has also tied up with Grant Morrison, the writer of Batman and Superman comics, for an animated series on the epic Mahabharata. (See Morrison's interview on next page).

India has a rich story-telling heritage and comic char-

INDIA TODAY GROUP

WAVE

PRESENTS

business today

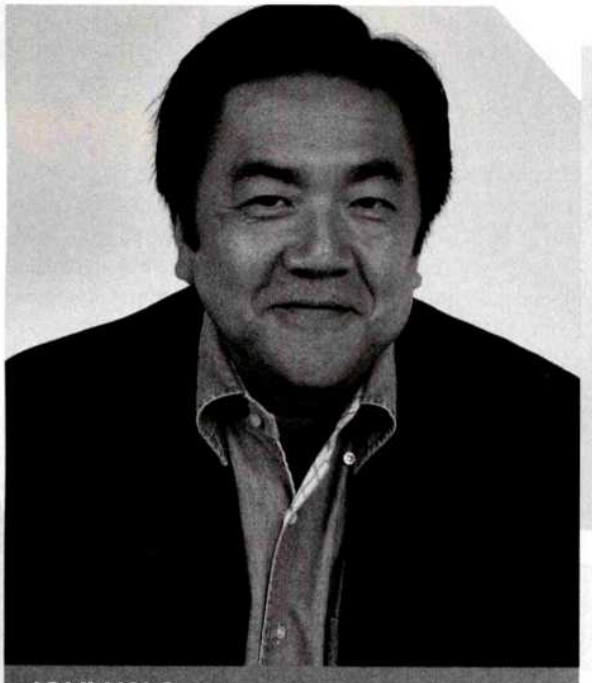
MIND RUSH

THE TURNAROUND

Make the worst of times your best of times

IGNITION LAB

Disruptive Innovation: A habit, a practice, a way of life



JOHN KAO Institute for Large Scale Innovation

ART OF NEGOTIATION

There is no escaping the trick!

PROF DEEPAK MALHOTRA, Harvard Business School

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW
TO AVAIL EARLY BIRD OFFER

www.businesstodaymindrush.com

TV PARTNER
HEADLINES TODAY

RADIO PARTNER
OYE! 104.8FM
SABSE FILMI

NEWSPAPER PARTNER
MAIL TODAY
Read by those who matter

ONLINE PARTNER
INDIA TODAY.in

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com/BT_India

linked.com/company/business-today

For Grant Morrison's full interview, go to
www.businesstoday.in/grant-morrison

"The Mahabharata has resonance beyond any one culture"

Grant Morrison, *the writer of Batman and Superman comics, has tied up with Graphic India for an animated series titled* 18 Days *on the Mahabharata. In an e-mail interview with* **Ajita Shashidhar**, *Morrison talks about his interest in Indian epics. Edited excerpts:*

What inspired you to make an animated series on the Mahabharata?

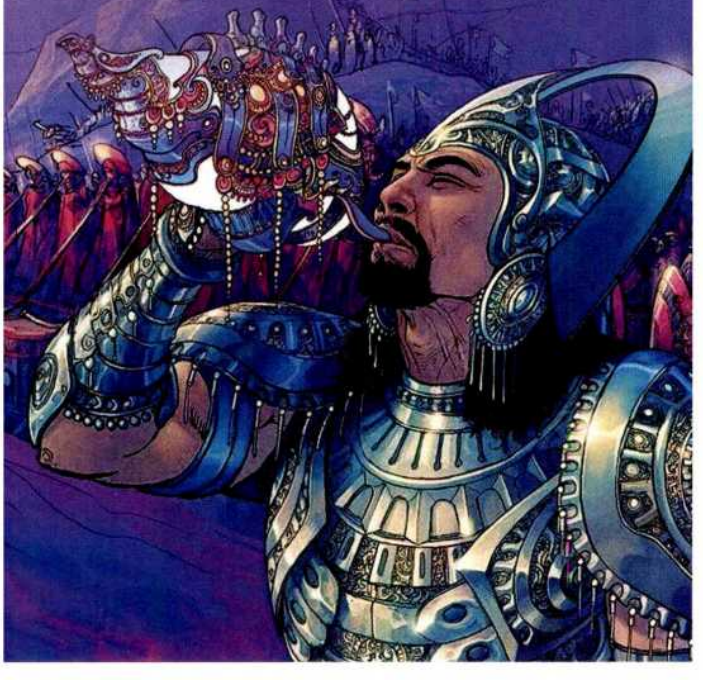
I liked the challenge of adapting and condensing a story on the scale of the Mahabharata... There's an incredible range of characters and all of them are achingly human and vulnerable as well as magnificent and mythical.

Why release the Mahabharata on YouTube?

The project was intended to be an animated series from the beginning. Like all new storytelling platforms, this digital version adds to the possibilities of comics.

Is a film on the Mahabharata in the making?

Hopefully the web series is just the start. *18 Days* will definitely be released as a comic series and Sharad (Devarajan) and I see a lot of potential for taking the story into a live action TV or feature film format... The Mahabharata has resonance beyond any one culture. It would be a privilege to be able to bring this incredible story to a wider global audience.



acters such as Chacha Chaudhary have been entertaining people for generations. The local comics industry is estimated at $100 million while the animation market is worth $650 million and is growing at 30 per cent annually. But Indian comic characters haven't succeeded in creating a global appeal yet. Many young Indians have grown up reading and watching international content, the likes of Pokeman and Power Rangers. "The dhoti-clad Chacha Chaudhary solving mysteries in a village may appeal to the local audience but is of no significance to a young adult in Boston," says a top executive at a publishing company who does not want to be named.

Another reason Indian characters don't have the scale of a Spider-Man or Mickey Mouse is that a large part of the revenue for these global franchisees comes from animation. The Indian animation industry is still at a nascent stage. Filmmaker Ketan Mehta, who owns Mumbai-based animation company Maya Digital Studios, says after being an animation outsourcing hub for about two decades, India has moved on to content creation only in the past four to five years. "The leap of faith will take some time," he says.

Rajiv Chilaka, Managing Director at Green Gold Animation, agrees with Mehta. "Spider-Man is almost 70 years old and it took 30 to 40 years for it to travel outside the US. I am sure our characters will make the leap faster," he says. Green Gold created the country's most popular animation character, Chhota Bheem, five years ago. The Chhota Bheem franchise is now worth ₹200 crore. Chilaka is now looking at making Chhota Bheem a global phenomena by releasing animation films in Southeast Asia, the US and Dubai. "The idea is to look beyond the Indian diaspora by experimenting with an advanced level of screenplay and telling the story with a more global flavour," he says.

Some others are also taking a cue. Actor Mukesh Khanna, who played the popular character Shaktimaan in the late 1990s, has joined hands with Reliance Big Animation to create an animation series on the superhero and plans to release it in various Asian markets. But not everyone is looking overseas. Manas Mohan, Chief Operating Officer of ACK Media, which publishes Amar Chitra Katha comics, feels it is more important to cater to the Indian market. "I don't think Hollywood will significantly add to my business," he says. "I would rather work on my existing characters such as Supandi and Shikari Shambhu and make them larger than life in India by rolling them out across platforms before rolling them out globally."

Devarajan, however, has his goals firmly in sight. He aspires to make Indian characters as larger than life as a Spider-Man or Batman. "We are not only looking at building the next Hanah Barbara of India but also the next Marvel of India," he says. "Our characters would have origins in India but they would speak to people from Beijing to Boston." ◆

Send your comments to editor.bt@intoday.com

Save up to 57%* plus Get a Tool Set FREE!

TIME, the world's most respected weekly newsmagazine, is trusted by 21 million readers for its insightful and reliable reporting on global events, politics, business, finance, technology, education and more. TIME speaks authoritatively on important issues, interests and concerns in Asia and the world. In today's fast-paced environment, TIME provides a clear, concise and forward-looking take on the world, allowing you to make the most of your TIME.

Box measures: 35 x 27 x 7cm

Subscribe to TIME now and receive your FREE Tool Set.
The Tool Set includes:

- 4 Hex Wrenches
- 1 Knife
- 1 Cutting Plier
- 1 Water Pump Plier
- 1 PVC Tape
- 1 Level
- 9 1/4" Dr. Socket
- 1 Screwdriver Handle
- 11 Bits in a Plastic Holder
- 1 Claw Hammer
- 2 Screwdrivers
- 4 Precision Screwdrivers
- 6 Combination Wrenches
- 65 Fasteners

Best of all, this Tool Set is yours absolutely FREE when you subscribe now!

What's more, here are your other benefits:

1. **Save up to 57% off the cover price**
2. **Free Delivery to your home or office**
3. **Celebrated Annual Issues** – TIME 100, Journeys, Best Inventions and Person of the Year
4. **Money Back Guarantee** – You must be completely satisfied or you'll receive a full refund for all unmailed issues
5. **TIME All Access** – Enjoy the print magazine, iPad® edition and subscriber-only content on TIME.com, including the 20th century archive
6. **24-Hour Customer Service** – You can manage your subscription 24 hours a day at www.time.com/asiacustomerservice
7. **Bonus Gift** – If you subscribe for two years or more, you'll receive an extra mystery gift absolutely FREE!

FREE GIFT(S) AND SAVINGS FORM

YES! Please send me TIME for the term I've indicated below. I'll also have access to the iPad edition and subscriber-only content on TIME.com

TIBQHN0(A/B)

Best buy!

☐ 162 issues for a total of ₹8,262 - only ₹51/issue
☐ 108 issues for a total of ₹5,616 - only ₹52/issue
☐ 54 issues for a total of ₹2,862 - only ₹53/issue

☐ Please send me a Tool Set as my FREE gift. If I subscribe to a 108 or 162 issue term, I will also receive a Bonus Mystery Gift.

Name (Mr./Ms.) _____
(Please print and underline surname)

Address ☐ Home ☐ Office _____

_____ Post Code _____

Tel (H/O) _____ Mobile _____ Fax _____

Email _____ ☐ New ☐ Renew _____
(Provide to receive order acknowledgement and online plus iPad access)
(Please indicate your customer number)

Choose one:

☐ Charge my credit card: ☐ VISA ☐ MasterCard ☐ American Express ☐ Diners Club (Debit cards are not accepted)

Card No. _____ Expiry ____/____ Signature _____

☐ Enclosed is my ☐ Cheque ☐ DD No. _____ (Payable to LM A/C TIME. For non-Delhi cheques please add ₹50)

By subscribing to this offer, you agree to allow Time Singapore (Pte) Ltd/Living Media India Ltd to call/SMS you even if you have blocked UCC in the NCPR. If you do not agree, please tick this box. ☐ Please tick if you prefer not to receive promotional materials from Time Singapore (Pte) Ltd. ☐ Occasionally, Time Singapore (Pte) Ltd. may make your name, postal address and/or email available to third parties for mutual benefit. If you do not consent to receive third party offers, please tick this box. ☐ * on the 162 issue term Please allow 6-8 weeks for delivery of your first issue and gift once payment has been processed. Rates and offer valid in India until December 31, 2013 only. If no term is indicated, the minimum will be served. Gift stocks are limited. If free gift is unavailable, it may be replaced with an item of greater or equal value. Your subscription will be hand delivered by courier in Delhi, Mumbai, Kolkata, Chennai, Hyderabad, Pune, Ahmedabad and Chandigarh and by mail to other destinations. All enquiries to be addressed to Living Media India Ltd. directly. TIME's cover price is ₹120. Savings are off the cover price. TIME Asia publishes five double issues. Each counts as two of 53 issues in an annual subscription. TIME Asia may also publish occasional extra issues. All disputes subject to the exclusive jurisdiction of competent courts in Delhi only. For subscription related queries, please call (0120) 2479943, fax (0120) 4078080 or email to timecare@intoday.com. Orders from India are subject to acceptance by Time Singapore (Pte) Ltd, 152 Beach Road, #24-05/08 Gateway East, Singapore 189721. Time Singapore (Pte) Ltd is not liable for any custom duty or tax incurred in connection with the subscription. iPad is a registered trademark of Apple Inc. registered in the U.S. and other countries.

TIME

4 EASY WAYS TO SUBSCRIBE

(0120) 2479943 | FAX (0120) 4078080 | timecare@intoday.com (For security, please never send credit card information via email)

Living Media India Limited
A - 61, Sector - 57
Noida (U.P.) - 201301

business today
FOR MANAGING TOMORROW

INDIA TODAY GROUP

Beat Stress
with Business Today

Business Today: A 10,000 Ft, 360 Degree View offers

- Deep insights into the **CORPORATE WORLD**
- Exclusive Interviews with **TOP BUSINESS PERSONALITIES**
- **SPECIAL FEATURES** that mine data to analyse a range of topics
- All the latest **TRENDS and EVENTS** in the world of business and economy

Term	No. of Issues	You Pay (₹)	You Get
2 Years	52	~~2080~~ 1755/-	Save 15% + Get a USB Massager
1 Year	26	~~1040~~ 885/-	Save 15% on the Cover Price

Best Buy

2-YEARS SUBSCRIPTION GIFT

USB Massager

- Handy when sitting long at work
- Plugs into USB port, or use with AAA batteries

Please fill in the form and send it us at the address mentioned below

Business Today Subscription Form

Send form with your payment to LIVING MEDIA INDIA LTD., A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

☐ 2 Years (52 Issues) : Pay ₹ ~~2080~~/- ₹ 1755/- Save 15% + Get a USB Massager FREE! Best Buy

☐ 1 Year (26 Issues) : Pay ₹ ~~1040~~/- ₹ 885/- Save 15% on the Cover Price

BT 24 NOV 13

Name..... Address.....

.....City.....

Postal Code.....Tel./Mobile.....E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ ☐

Card No.....

Expiry.....Signature.....

Payment Enclosed: ☐ Cheque ☐ DD No.....(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 50/-)

Subscription Terms & Conditions: This authorises us to communicate about our products & promotions through mail/phone/printed material/email etc. This authorisation is irrespective of my instructions elsewhere of not to be contacted or informed over phone/email/mail etc. ☐ Cover Price of BT is ₹ 40. ☐ Special Rates and offer valid in India only for a limited period. ☐ Allow 3-4 weeks for processing of subscription. ☐ Your free gifts will reach you in about 6 weeks of commencement of your subscription. ☐ The images shown here are indicative, actual product may vary. ☐ Add Rs. 50/- for non-Delhi cheques. ☐ Superscribe your name and address on the reverse of the cheque/DD. ☐ All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. ☐ Business Today can revise this offer any time at its discretion without any prior intimation. ☐ Subscription can not be cancelled once the free gifts are dispatched. ☐ T&C apply.

To Subscribe - Email: wecare.bt@intoday.com or Call Toll Free No : 1800-1800-100 or (0120) 2479900

NANDAGOPAL RAJAN

Keeping Big Brother at Bay

Your employer can monitor your online activities at work. Here's how to stay clean

My friend got pulled up by his boss recently for a random tweet. His company felt it could have an adverse impact on its relationship with a client. Indeed, most companies do much more than just monitor the social media activities of their employees. Leading research firm Gartner's data reveals that by 2015 around 60 per cent of global corporations will have programmes to monitor social media accounts – including Facebook, Twitter, YouTube, and LinkedIn – for security breaches and data leaks.

T. Muralidharan, Chairman of TMI Group, a Hyderabad-based HR services firm, says every company has a strict Internet and email policy, which clearly sets out what an employee can do and can't on social networks. "Every employee should be aware that he or she cannot get away with breach of trust. Everyone is watched." Your employer may monitor your online behaviour randomly or spy on you systematically, following some specific incident. "Most companies in India have policies, but no monitoring system. They use the policy only when they hit upon something," says Muralidharan.

Companies have some tools that can track you both at the device and the network level. And once you resign, your employer usually scans your mail for the last month in office to see if you sent out any confidential information. "This is necessary because many companies handle confidential assets of customers. They must ensure employees are not selling or exchanging information with anyone," adds Muralidharan.

The proliferation of personal devices in the workplace is, however, making it increasingly difficult to monitor employee behaviour. "With more and more emphasis on workplace flexibility as the key to productivity and employee well-being, it is difficult for organisations to define boundaries and be autocratic about IT policy. What organisations therefore need to focus on is educating their workforce to better understand the intricacies involved in using vulnerable platforms," says Ritesh Chopra, Country Sales Manager, Norton by Symantec. He says the company policy has to be precise and spell out exactly what an employee is supposed to do or not do. "When using company resources to access Internet sites or to download, display or disseminate information or materials, users are expected to comply with the company's information security, and social media policy." Also, your company owns the office computer you use, and thus the emails and data generated from it. It doesn't need permission to access them.

RAJ VERMA

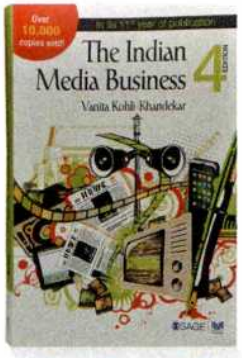
Remember, you are not expected to spend more than five per cent of your office hours for any personal activity. Browsing the web or a social network, chatting with a friend, using a messaging client, or even taking a personal phone call is considered personal work and is not productive for the company. If you break this rule consistently, chances are that your company has already started monitoring you.

Don't panic now. Simply follow the dos and don'ts below to keep the 'Big Brother' at bay.

- Never include in private communications any confidential information belonging to your employer or to third parties that is not yet known to the public.
- Never do anything that could be construed as discrimination, harassment, retaliation, or online impersonation.
- Never post anything that could be viewed as defamatory, insulting or deceptive to any individual or organisation.
- Never use company resources to access, download, display or disseminate inappropriate material – be it pornographic, sexist, violent, or otherwise offensive in nature.
- Never share your network username and office passwords.
- Never install unapproved software on company resources, such as peer-to-peer software, because these can expose company resources and information to potential breach or theft. ◆

Updated Media Bible

The fourth edition of this comprehensive work includes a fresh chapter on digital media



The Indian Media Business (Fourth Edition)
By Vanita Kohli-Khandekar
Sage Publications
Pages: 484; Price: ₹650

This is the fourth, updated edition of a book written 10 years ago, that has since become essential reading for media students and professionals. Vanita Kohli-Khandekar has painstakingly updated her book with new facts and interesting details that have arisen since the last edition came out. She has added, for instance, a new chapter on digital media – perhaps the first close look at the subject from a business perspective – to the seven areas examined in earlier editions: print, TV, film, radio, music, outdoor and events, homing in on key areas of concern.

Take TV. I was discussing TV programming with Uday Shankar, CEO of Star India, a while ago and found him dwelling at length on the perplexing lack of talent in the profession at many levels, especially in script writing. There may be long queues of aspirants for various categories of jobs outside every production studio, but clearly most of them do not fit the needs of the studios. Thus it was heartening to find Kohli-Khandekar too discussing the talent crunch. She examines in particular the surprising paucity of producers in the film industry.

Preceding the section on talent crunch is another detail that makes you correct your mental image of the Indian filmmaking industry – the largest in the world by number of films released – being a thriving one. The sad truth is that India is a hugely unprofitable film market. India made 1,200 films in 2010 as opposed to Hollywood's 677, but most of them were flops. The author sets out the many factors that stymie the ability of Indian filmmakers to extract the maximum from each rupee spent, unlike their US counterparts. "The reason we make too many films is because, just like news channels, films too get a log of random, glamour-struck investors who jump in to spoil the party," she says.

And just as she does with films, Kohli-Khandekar examines comprehensively other segments of the media too. After decades, India finally has two media houses – The Times Group and the Zee Group – with a top line of over a billion dollars. Still, it is important to keep the perspective right: media is small cheese compared to certain other sectors. "The country's largest telecom provider Bharti Airtel's revenue in 2012 was 86 per cent the size of the entire media and entertainment industry," she says. She pegs the M&E industry revenue at ₹83,060 crore for 2012.

Some segments are peppered with stories of bygone times that are extremely interesting. The rise of Gulshan Kumar and his T-Series cassettes – when the issue of piracy first surfaced – serves as an interesting reminder of how history has been repeating itself in the music industry once the transition to digital occurred.

My small quibble is that I expected a little more colour from Kohli-Khandekar, who is also a seasoned journalist. The book could have done with more anecdotes and stories that would have personalised the narrative and also added more drama. There are also areas where I would have liked to read more. For instance, I would have liked to know more on how consolidation is panning out in the industry, and the recent investments by business houses in media. I also wanted to see more information about the business media – both print and TV. Again, developments in the media segment focusing on children could have done with more detail.

But overall, this new edition of an old, much-admired book, remains riveting. ◆

SHAMNI PANDE

The author sets out the many factors that stymie the ability of Indian filmmakers to extract the maximum from each rupee spent, unlike their US counterparts

ICICI BUSINESS LEADERSHIP PROGRAMME

MBA (Finance & Banking): The current economic landscape provides numerous opportunities for the Indian banking sector. In order to leverage these emerging opportunities, a new class of bankers will be required in specialized functions of banking industry. To meet this objective, ICICI Bank and NIIT University have come together to equip experienced professionals from diverse industries with banking knowledge and skills.

Programme Structure

- Two years full time residential programme
- Hands-on experience through two internship stints of six months each at ICICI Bank

Earn while you learn

Scholarship of ₹10,000 per month while on campus and ₹50,000 per month during internship at ICICI Bank.

Job Opportunity

Post successful completion of the programme, selected applicants will be placed at mid-management levels at ICICI Bank with a starting salary of ₹15 lacs per annum.

Who should apply?

Working professionals who are CAs/ Engineers/ Graduates in any discipline(s) with a minimum work experience of three years in industries such as oil & gas, pharma, steel, infrastructure, aviation, power, IT, banking & financial services etc.

Commencement of Programme

- The programme will commence in April 2014.

Process for Applying

To learn more about the programme and to apply, please visit **www.icicicareers.com**

Apply within 7 days

NU
NIIT UNIVERSITY
THE UNIVERSITY OF THE FUTURE

ICICI Bank
khayaal aapka

Terms and Conditions Apply. Misuse of any intellectual property or any other content displayed herein is strictly prohibited.

Senior Management Jobs brought to you by monster.com

ONI ENTERPRISES
COO / MD Tyre
Location: Bengaluru / Bangalore
Job ID: 14111024
Description: Ensure that existing Tyre Production cum Marketing business continues. Multiply growth 300 times by identifying creative strategies in India and outside India that necessitate usage of your Brand of tyres.

V4 Solutions
Director of Sales
Location: Kolkata
Job ID: 13985699
Description: Develops and implements marketing and sales strategies that support achievement of the Hotel's goals.

Ikya Human Capital Solutions Private Limited
Benefits Lead / Head
Location: Chennai
Job ID: 14146263
Description: Regularly interact with the other teams like Finance, Shared Services, Compensation and Payroll teams for co-ordination of activities.

Manokam
Head-Plant Operation
Location: Hyderabad / Secunderabad
Job ID: 14132841
Description: Production & Productio Planning and ensure the production targe are achieved as per parameters.

Roland and Associates
CEO
Location: Cochin / Kochi / Ernakulam
Job ID: 14139596
Description: Will be responsible for Profit & Revenue targets for all the business units.

Wenger and Watson Inc
Practice Head - Retail Analytics
Location: Bengaluru / Bangalore
Job ID: 14052124
Description: Responsible for building t Analytics Division with initial focus Retail from Scratch.

Thomson Reuters
Director, Corporate Legal Services
Location: Mumbai
Job ID: 14101476
Description: Compensation includes competitive benefits and bonus other requirement.

eBay, Inc
Head Product Management
Location: Mumbai
Job ID: 14120026
Description: 13 +years of work experie with prior Product Management experie in ideally in consumer internet industry.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butto

ADD A STREAK OF LUCK
TO YOUR CANDIDATE SEARCH
Better Acce
Better Connectio
Better Candidat
Get Lucky. Get Active with Monster.
monste
Find Bette

business today

Jobs Today

monster
Find Better.™

IT Jobs brought to you by monster.com

TATA Consultancy Services Ltd.
IFW Architect
Location: Mumbai
Job ID: 14142268
Description: Architect with 5-6 years of experience on service modeling, BOM modeling or data modeling using IFW (IBM Information Framework).

Hexaware Technologies
Peoplesoft Technical / Techno-functional HRMS
Location: Chennai
Job ID: 12157232
Description: 5+ years of experience working on PeopleSoft Projects.

IMSI India Private Limited
Database Designer / Developer / Administrator
Location: Bengaluru / Bangalore, Pune
Job ID: 13559236
Description: Responsible for the administration, configuration, installation, monitoring, maintenance and upgrade of databases.

Oracle India Private Limited
Java/J2EE Experts
Location: Bengaluru / Bangalore
Job ID: 13553168
Description: Good understanding of building enterprise software especially building server side frameworks rather than just the business applications.

Teradata
Core JAVA with XML Expertise
Location: Mumbai
Job ID: 14011849
Description: This is an experienced JAVA Consultant position with a preferred emphasis on JAVA development and experience on building front end application development.

Replicon
Senior Linux Administrator/ System Specialist
Location: Bengaluru / Bangalore
Job ID: 13746371
Description: Bachelor's degree, 5 - 6+ years' experience in administering UNIX.

Cisco Systems India Private Limited
Software Engineer/ Programmer
Location: Bengaluru / Bangalore
Job ID: 12800341
Description: Extensive work experience in developing embedded s/w in C/RTOS, under multi-threaded environment.

Allscripts
Senior Software Engineer
Location: Pune
Job ID: 14120386
Description: Perform Specification, Design, Coding, Testing, Documentation in the areas of Development and Maintenance.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Available on the App Store

Better Access
Monster on mobile helps you find candidates anytime, anywhere

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster
Find Better.™

business today

Jobs Today

monster
Find Better.

Sales and Marketing Jobs brought to you by monster.com

Philips Electronics (India) Limited
Asst. Manager Sales
Location: Guwahati
Job ID: 14146945
Description: Distribution of LE products for NES.

Kotcher Consulting India Private Limited
Business Development Executive
Location: Cochin / Kochi / Ernakulam
Job ID: 14150039
Description: Identifying and developing new business opportunities and building Strategies, Serving the needs of the already existing Clients etc.

Financial Software & Systems Pvt Ltd
Business Development Manager
Location: Chennai
Job ID: 13781053
Description: Manage a portfolio of key (existing) accounts in order to meet/exceed revenue goals with a clear focus on engaging customers / clients for repeat business.

Kranium Hr Services Private Limited
Sales Manager
Location: Bengaluru / Bangalore
Job ID: 14150166
Description: This position will be foca point of contact for all sales activity for th retreat. This person will be responsible fo all aspects of the sales department.

Acculogix Software Solutions Private Limited
Business Development Executive
Location: Bengaluru / Bangalore
Job ID: 14024646
Description: Market research, Cold Calling, Fixing appointments with the potential customer across United Sates.

Mastek Limited
Senior Sales Manager/Busine Development Manager
Location: Bengaluru / Bangalore, Chenna
Job ID: 14046505
Description: Strong communication sk in all forms including written, oral, ema telephone, and presentation.

ABC Consultants Private Limited
Corporate Sales
Location: Mumbai
Job ID: 14133012
Description: Sales Manager in Corporate Sales segment for B2B sales.

Futures Ahead
Business Development Manager
Location: Bengaluru / Bangalore, Mumb
Job ID: 14054752
Description: Candidates with 6+ years experience in ecommerce sales / serv sales to business / eretail / SaaS / BPO.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" butto

BeKnown On Facebook

Better Connections
Connects people to Brands on the Most Active Social Network.

Http://apps.facebook.com/beknown

Better Acce
Better Connectio
Better Candida

Get Lucky. Get Active with Monster.

monste
Find Bette

business today

Jobs Today

monster Find Better.™

Finance Jobs brought to you by monster.com

Capgemini Business Services India Limited
Accounts Payable Professionals
Location: Chennai
Job ID: 14135509
Description: Should possess strong accounting knowledge & Business understanding of the end to end AP process.

International Development Sector Resource LLP
Finance Manager
Location: Delhi
Job ID: 14047619
Description: Ensure the finance manual is functional, processing and payment tovendors, help to auditors in audit, able to maintain MIS.

NCR Corporation India Pvt. Ltd.
Sr. Cash Analyst
Location: Mumbai
Job ID: 14105519
Description: 2+ years of related experience as an Analyst with the experience of using statistical tools.

WNS Global Services Private Limited
Group Manager-F&A (General Ledger)
Location: Pune
Job ID: 14038180
Description: Budgeting, Forecasting & Analysis Month End Analysis and Reporting Business Platform Development & Special Projects.

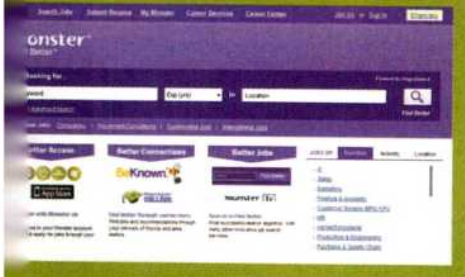
dEEVOiR Consulting Services Private Limited
Associate - Accounting
Location: Mumbai
Job ID: 14138459
Description: Maintain General Ledger accounts and related activities for the preparation of financial statements.

NTT DATA Global Delivery Services Limited
Accounts Payable - SAP
Location: Gurgaon
Job ID: 14150336
Description: Looking for Finance specialist for Accounts Payable Process with experience in SAP.

CedarCrestone Software India Private Limited
Accounts Executive
Location: Hyderabad / Secunderabad
Job ID: 14093695
Description: General Accounting including Monthly & Annual close.

EXL
Manager - Financial Analysis and Reporting
Location: Bengaluru / Bangalore
Job ID: 14008347
Description: Expert in FP&A (forecasting, budgeting, analysis of financial statements and interpretations etc.).

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

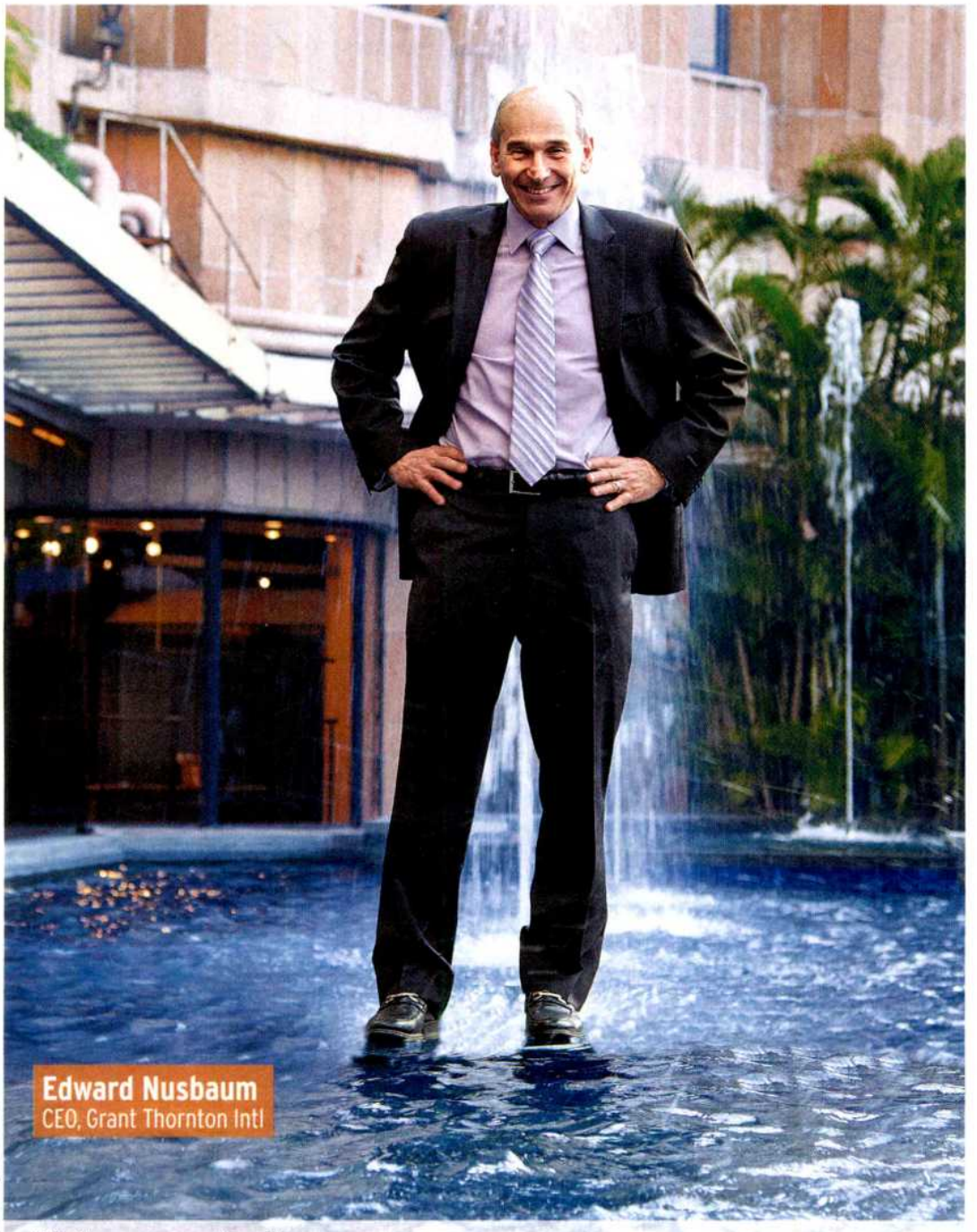


Better Candidates
With Monster's extensive database and advanced technology, finding the right candidate is easy

- Better Access
- Better Connections
- Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.™



Edward Nusbaum
CEO, Grant Thornton Intl

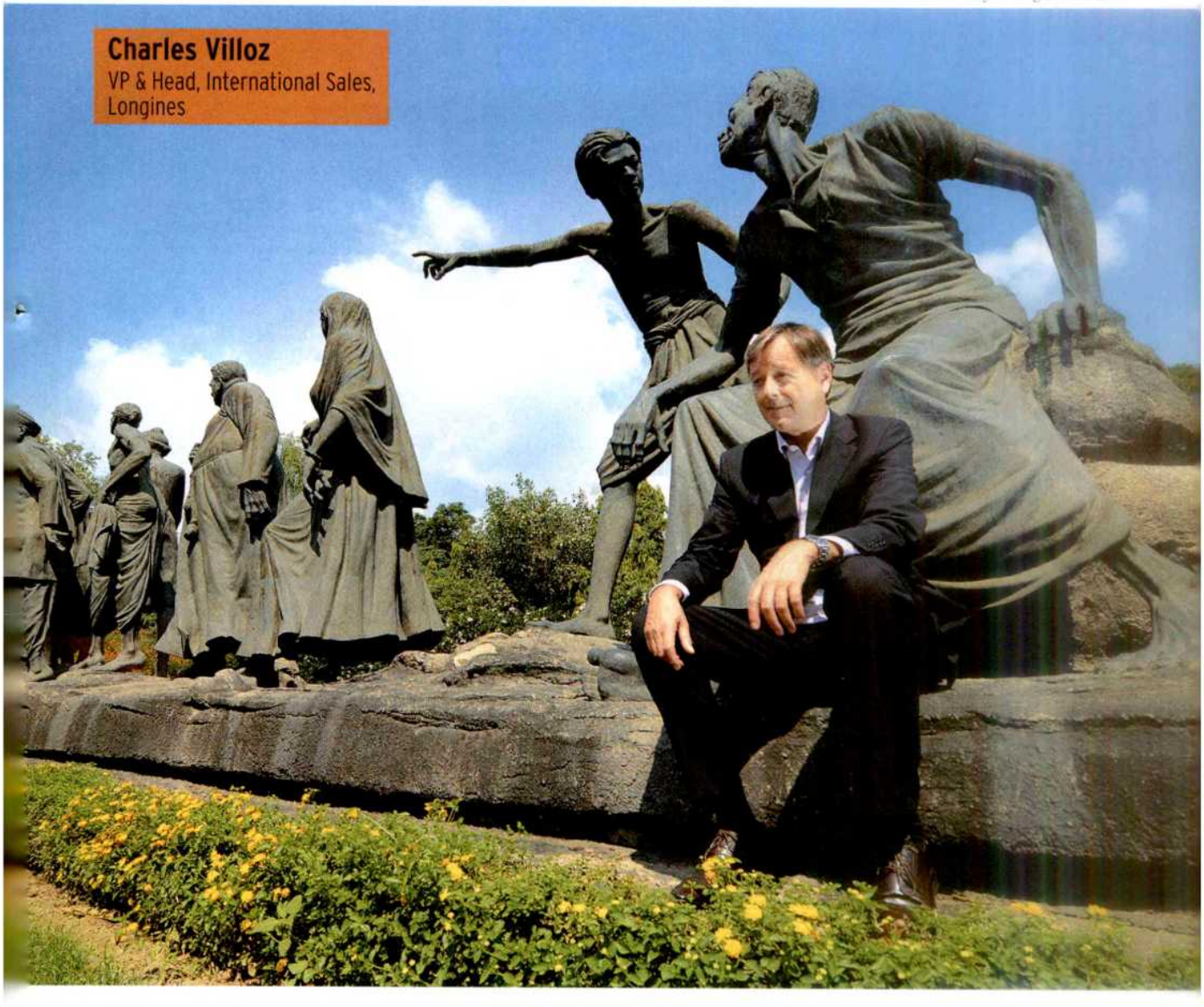
VIVAN MEHRA/www.indiatodayimages.com

Upbeat on India

The Indian economy is going through a rough patch but **EDWARD NUSBAUM** is optimistic. "There will be ups and downs every few months. Over the long term, India will continue to develop as a strong base for foreign investors and successful Indian companies," says the CEO of leading accounting firm Grant Thornton International. He added that cheap asset valuations have made Indian companies attractive. In the past month, in fact, Grant Thornton India received six new queries from investors. "Some people perceive rupee depreciation as a negative thing, but it actually makes labour costs cheaper here as compared to foreign markets," said Nusbaum, 58, who joined Grant Thornton 35 years ago, and likes to go on safaris to take a break from work.

MANU KAUSHIK

SHEKHAR GHOSH/www.indiatodayimages.com



Watchful Eye on the Market

CHARLES VILLOZ has watchmaking in his blood. The Vice President and Head of International Sales at Longines is from the fourth generation of a family that makes a living out of horology. The Swiss luxury watch brand formally entered India in 2002, and several estimates peg the market size at between ₹1,000 crore and ₹1,200 crore. The 57-year-old Villoz says: "The über-luxury market in India is not as big as was expected. Our target consumers are people who value quality and can afford our products, including middle-class people and professionals. We have to listen to young people and their aspirations." He adds that Longines's growth has been in the double digits for the past three years. "We are investing heavily – the marketing budget for India is one of the largest within the Swatch Group," he says. Although Villoz started his career as a watchmaker, he briefly worked in Swiss Army before returning to his family's roots. He joined Longines in 1989 as a regional sales manager and today handles sales and distribution in 130 countries, including India.

MANU KAUSHIK

ON SALE NOW!

HBRSASIA.ORG SOUTH ASIA

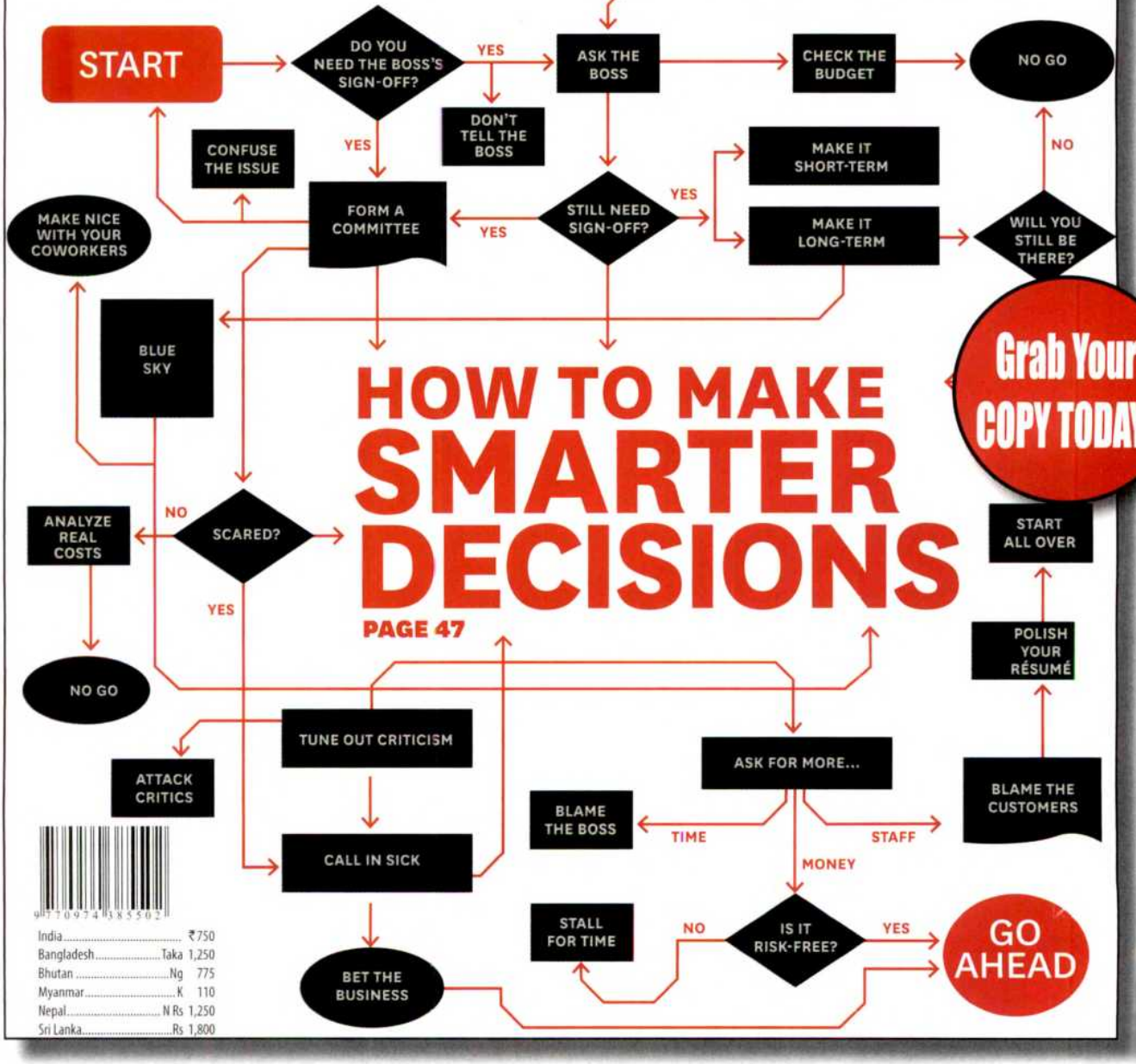
Harvard Business Review

NOVEMBER 2013

58 Leadership
Don't Be a Wimp—Make the Tough Calls
An interview with Ram Charan

90 Reinvention
Dismantling the Sales Machine
Brent Adamson, Matthew Dixon, and Nicholas Toman

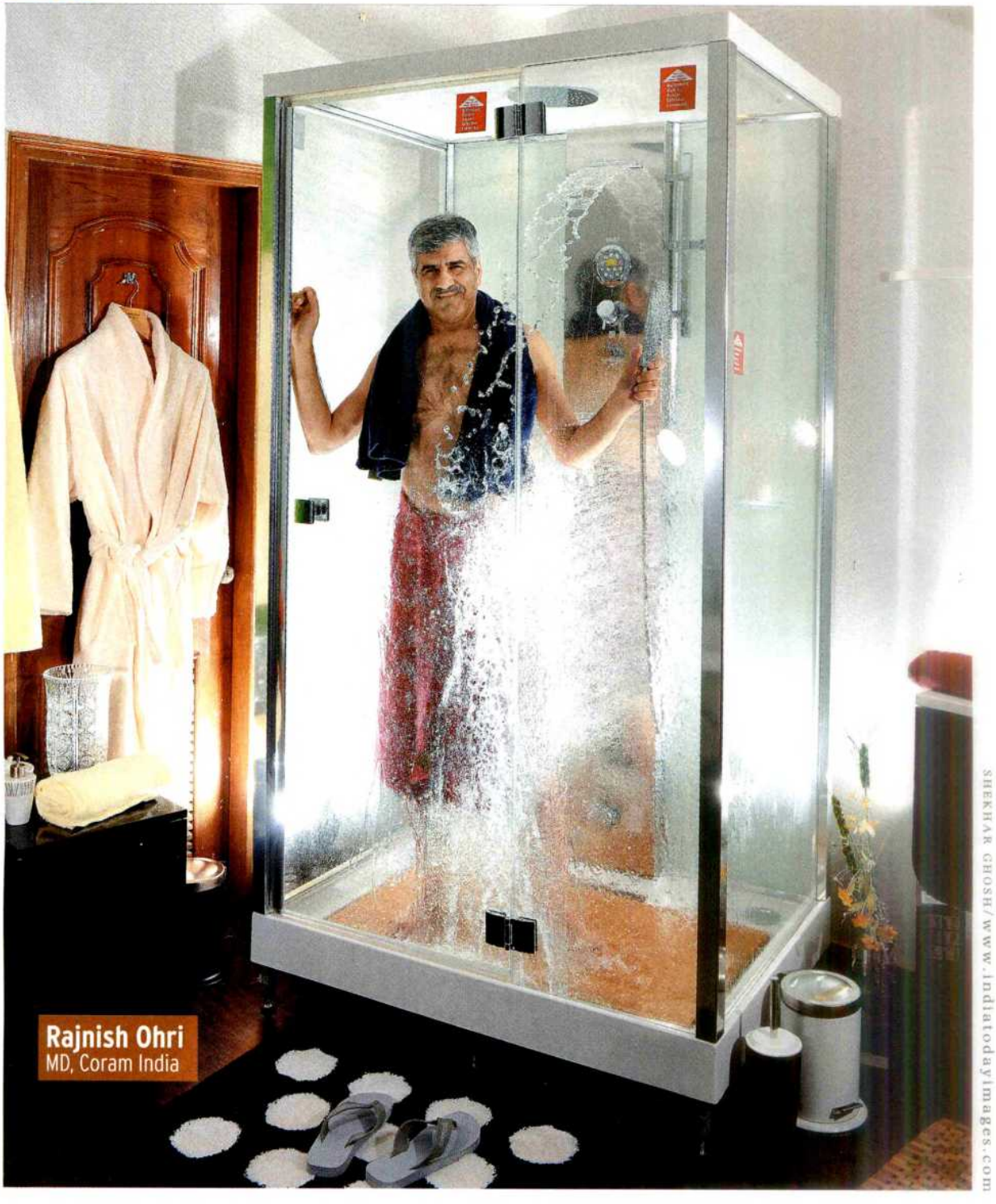
111 Managing Yourself
Emotional Agility
Susan David and Christina Congleton



India ₹750
Bangladesh Taka 1,250
Bhutan Ng 775
Myanmar K 110
Nepal N Rs 1,250
Sri Lanka Rs 1,800

4 easy ways to subscribe

hbrcare@intoday.com | www.hbr.org | (0120) 2479945 | SMS HBRSA to 52



SHEKHAR GHOSH/www.indiatodayimages.com

Awash with Luxury

For **RAJNISH OHRI**, coming back home for a warm shower is bliss. The Managing Director at Coram India, a luxury bath and shower fittings company, says bath spaces are "places of peace and tranquillity". The company recently announced the launch of a new range of Extreme wellness showers. The shower chamber can double up as a home spa, and the innovative technology reduces water wastage. The experience, however, doesn't come cheap. The entry-level showers cost ₹5.5 lakh and the top end ones ₹13 lakh. Ohri says the company expects to sell 50 of them in the first year.

SUNNY SEN

Amar Hanspal
Senior VP, Autodesk

Designing Solutions

When people think of design these days, they mostly think of Apple – esoteric stuff that few can achieve. However, **AMAR HANSPAL**, Senior Vice President of Platform Solutions and Emerging Business at 3D design software company Autodesk, was recently in India to dispel what he thinks is a myth. Hanspal, who spoke at the INK Conference in Kochi, believes that design is about problem-solving. And Autodesk helps solve many design problems for architects, engineers and construction companies, who all use its software. The company's Indian employees, Hanspal says, are playing an important role by developing products. The country is also a promising market from a business perspective.

GOUTAM DAS

NILOTPAL BARUAH/www.indiatodayimages.com

A. PRABHAKAR RAO

Prabir Jha
HR Expert

People Person

PRABIR JHA, a former IAS officer and self-made human resources expert who has worked with Tata Motors and Dr Reddy's Labs, will shortly take over as Chief HR Officer at Reliance Industries. Greater focus on people management could well play a pivotal role for a company that seems to be on its way to becoming one of the world's top five petrochemicals producers. The company plans to invest ₹1 50,000 crore over the next three years in all its key businesses, including exploration, production, refining, petrochemicals, retail and digital. Both Jha, 46, who loves to cook, and RIL have, however, refused to comment.

E. KUMAR SHARMA

WAVE

PRESENTS

business today

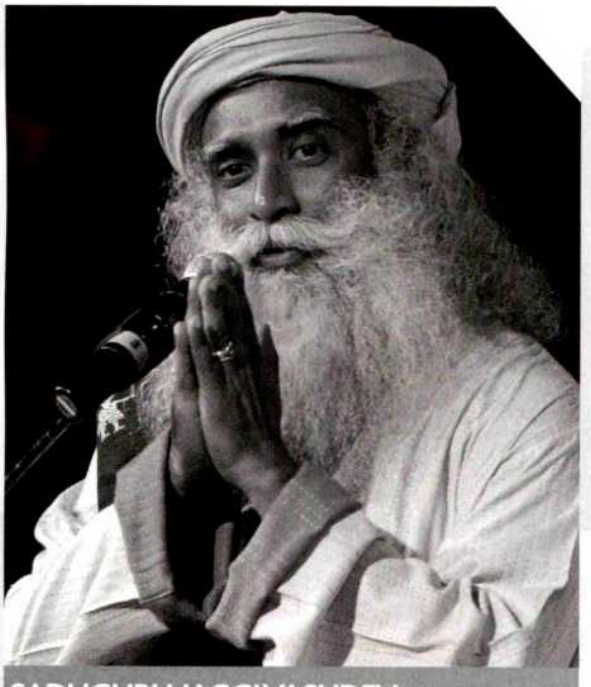
MIND RUSH

THE TURNAROUND

Make the worst of times your best of times

CTRL+ALT+DETOX

Let go of the worst, keep the best
How not to lose sleep over stress



SADHGURU JAGGI VASUDEV, Isha Foundation

CELEBRATING LIFE & THE SPIRIT OF BEING HEALTHY

MANDIRA BEDI, Actress & Presenter

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW
TO AVAIL EARLY BIRD OFFER

www.businesstodaymindrush.com

TV PARTNER: HEADLINES TODAY

RADIO PARTNER: OYE! 104.8FM SABSE FILMI

NEWSPAPER PARTNER: MAIL TODAY — Read by those who matter

ONLINE PARTNER: INDIA TODAY.in

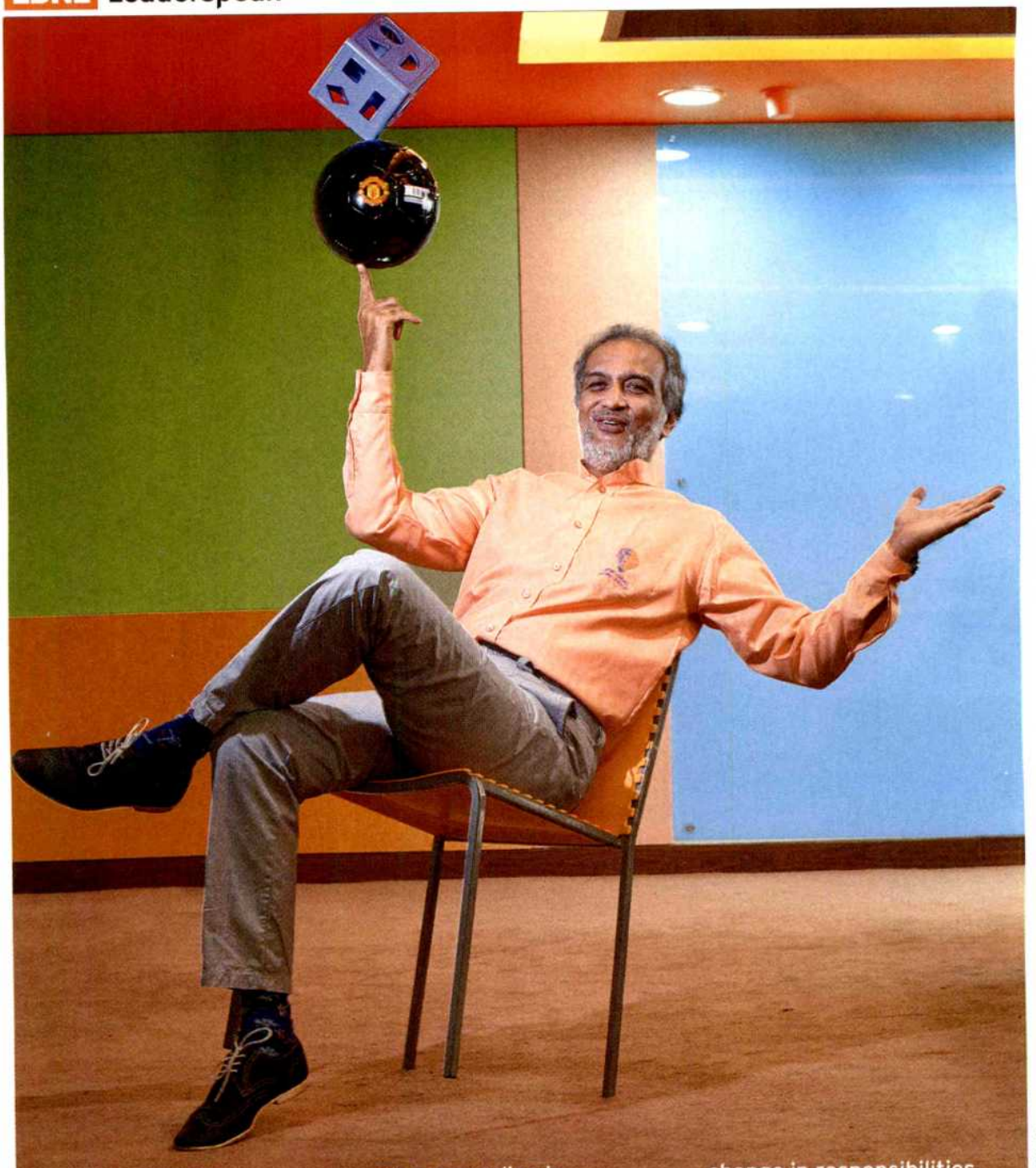
CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com/BT_India

linked.com/company/business-today



ARVIND THAKUR
CEO, NIIT Technologies

My first guru
Management guru C.K. Prahalad. He provided deep insights into strategic thinking, which has shaped my own thinking

My first job
As an industrial engineer with Bharat Heavy Electricals Ltd at a salary of ₹1,500 per month. BHEL was instrumental in giving me a grounding in computers

My first boss
S.K. Bhatia, head of the Corporate Systems Group at BHEL. From him I learnt that while implementing systems, bringing in the technology was the easy part. The bigger task was managing the change

My first promotion
From engineer to senior engineer. But there was no change in responsibilities. That led to my moving to an entrepreneurial venture in which I invested my princely savings of ₹10,000 and a lot of sweat

My first disappointment
Breaking away from this start-up which got caught up in a lot of regulatory delays. I subsequently teamed up with the founders of NIIT and have not looked back since

As told to N. Madhavan

VIVAN MEHRA/www.indiatodayimages.com

WORLD TRADE CENTER
BANGALORE
AT BRIGADE GATEWAY

INDIA'S FINEST BUSINESS ADDRESS.

Set in a 40 acre campus, the World Trade Center, Bangalore has recently been awarded the Best Office Building in Bangalore by CREDAI Real Estate Awards'13 - Karnataka. This and many of the other coveted awards are a fine testimony to the vision, professionalism and the craftmanship of the Brigade Group.

The WTC Bangalore is home to Amazon, Gallagher, H&M, KPMG, Samsung, Siemens, UEC, Regus, Toyota, HDFC, Coca Cola, Bank of Tokyo, LS Law & many more leading corporates. Making the World Trade Center, Bangalore truly 'a jewel in the crown' for the Indian Real Estate Industry.

1.1 million sft | 32 levels | Grade A+ building | 9 level parking

CREDAI
Real Estate Awards 2013
Best Office Building
in Bangalore

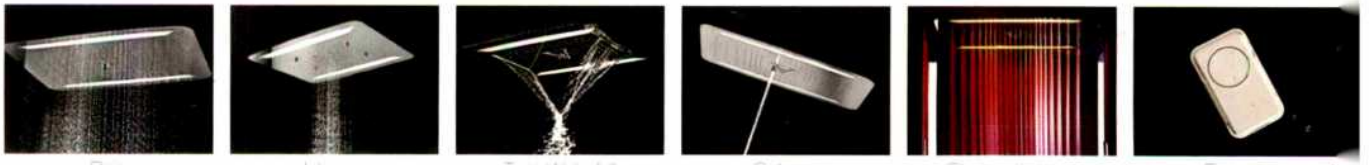
CNBC AWAAZ
Real Estate Awards 2012
Best Commercial project
(City based)

CREDAI
Real Estate Awards 2012
The Best Office Space
of the Year

ACCE-BILLIMORIA Award
Best Construction in
High Rise Buildings - 2011

Toll free 1800 102 9977 | E-mail us at commercial@brigadegroup.com | Visit us at BrigadeGroup.com

CRESCENT 13314B



Rain | Intense | Twin Waterfall | Column | Chromotherapy | Remote

Artize **rainjoy** overhead showers.

For more information visit: www.artize.in

Live demo on YouTube artize rainjoy

Artize

craftsmanship in wate

INDIA'S BEST BANKS
A BT-KPMG STUDY 60

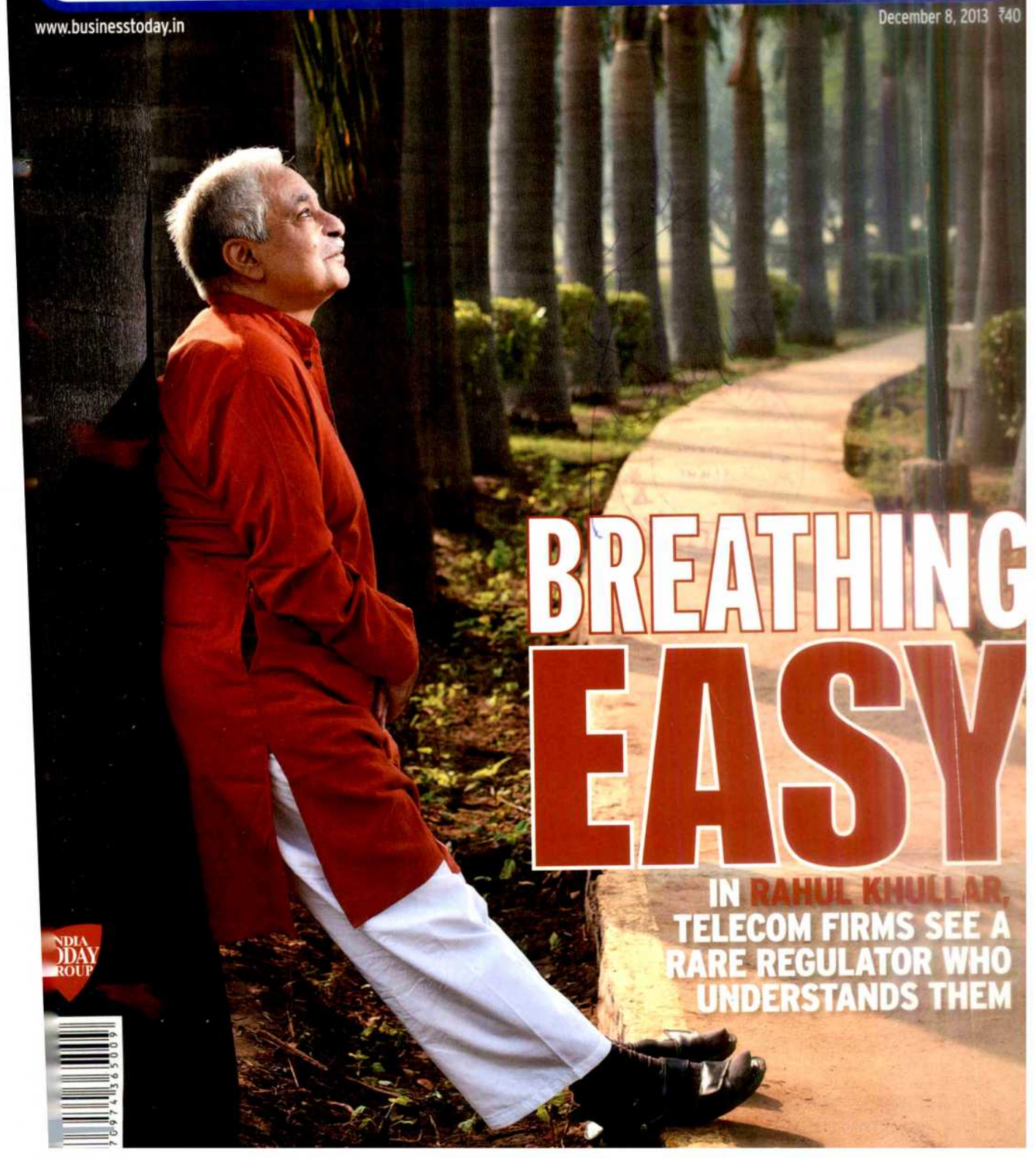
MARS MISSION
CORPORATE INDIA's ROLE 36

GOLD TRAIL
SMUGGLERS ARE BACK 114

business today
for managing tomorrow

www.businesstoday.in

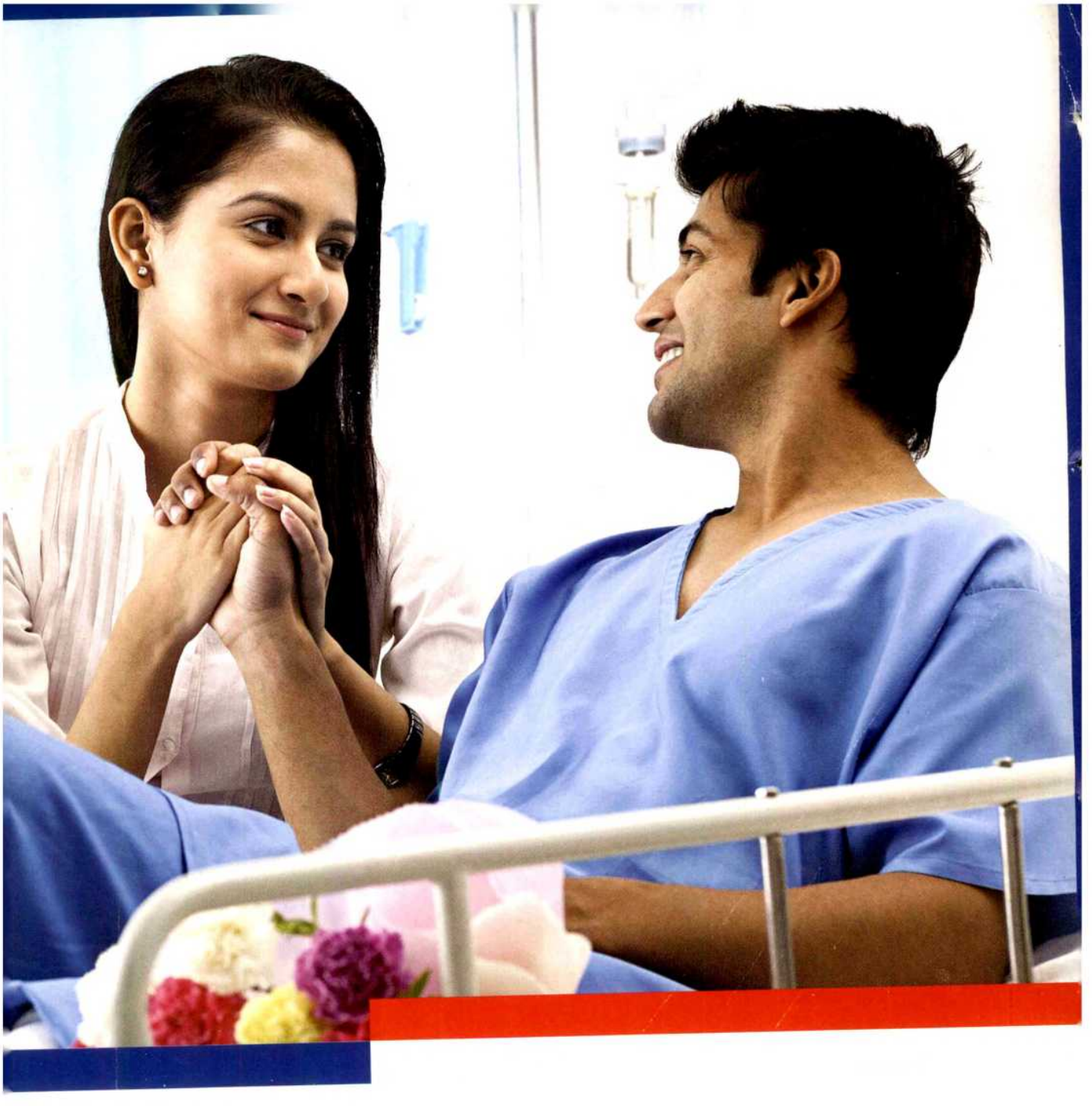
December 8, 2013 ₹40



BREATHING EASY

IN RAHUL KHULLAR, TELECOM FIRMS SEE A RARE REGULATOR WHO UNDERSTANDS THEM

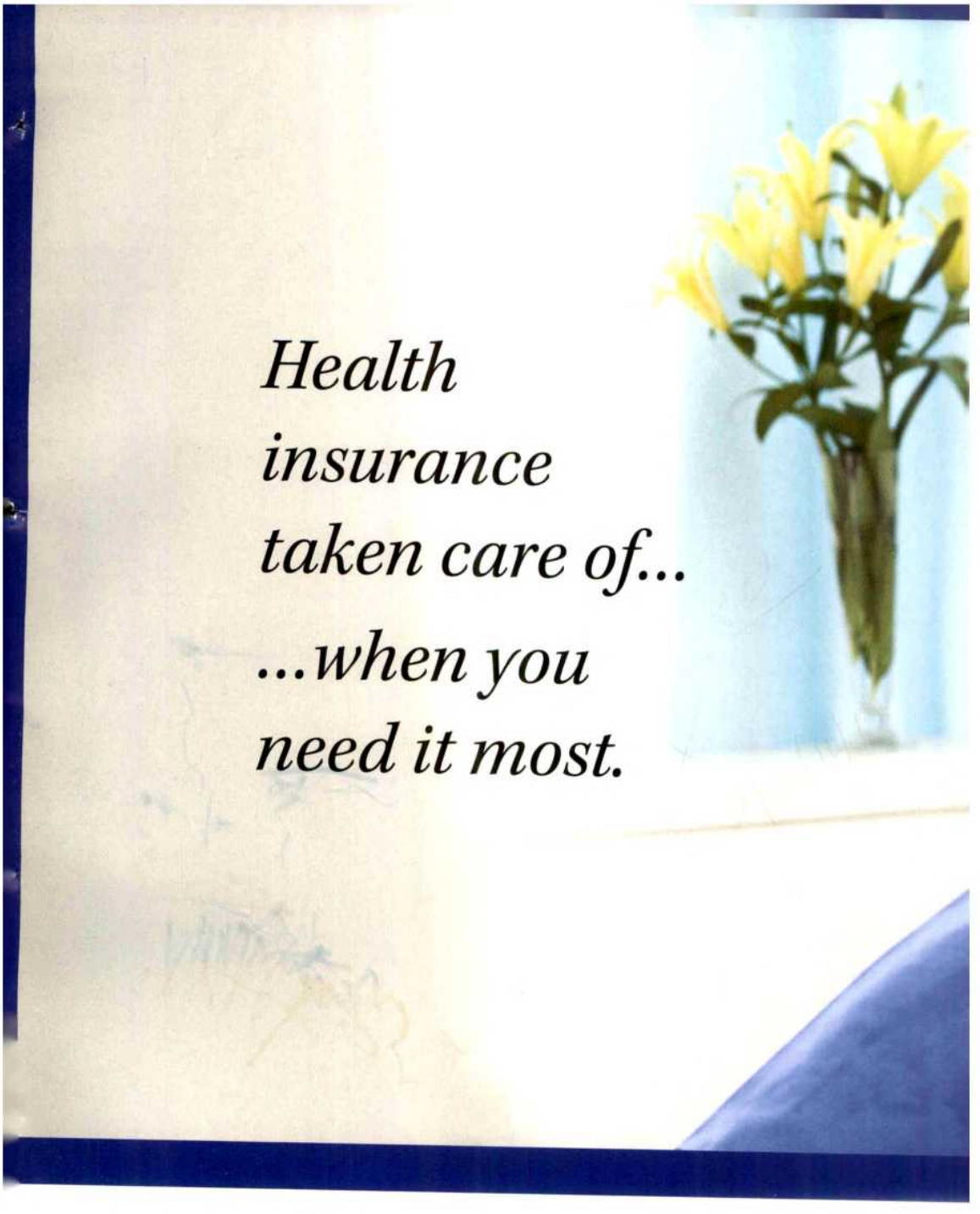
INDIA TODAY GROUP



Chola MS
HEALTH INSURANCE
With you when you need us most

Cholamandalam MS General Insurance Company Limited
(A joint venture between Murugappa Group & Mitsui Sumitomo Insurance Co. Ltd, Japan)
Regd. Office: Dare House, 2, N.S.C Bose Road, Parrys, Chennai – 600 001. India.
T: +91-44-3044 5400 F:+91-44-3044 5550 E: customercare@cholams.murugappa.com

CMS/MAGMR/848/111113



Scan QR code to know more about Chola MS

/CholaMSInsurance
/CholaMSInsurance

We understand the agony you feel when a loved one is hospitalized. That's why we are by your
Taking care of the expenses. While you take care of the one who needs you most. Let the best
Indian empathy work for you. Now. And when you need it most.

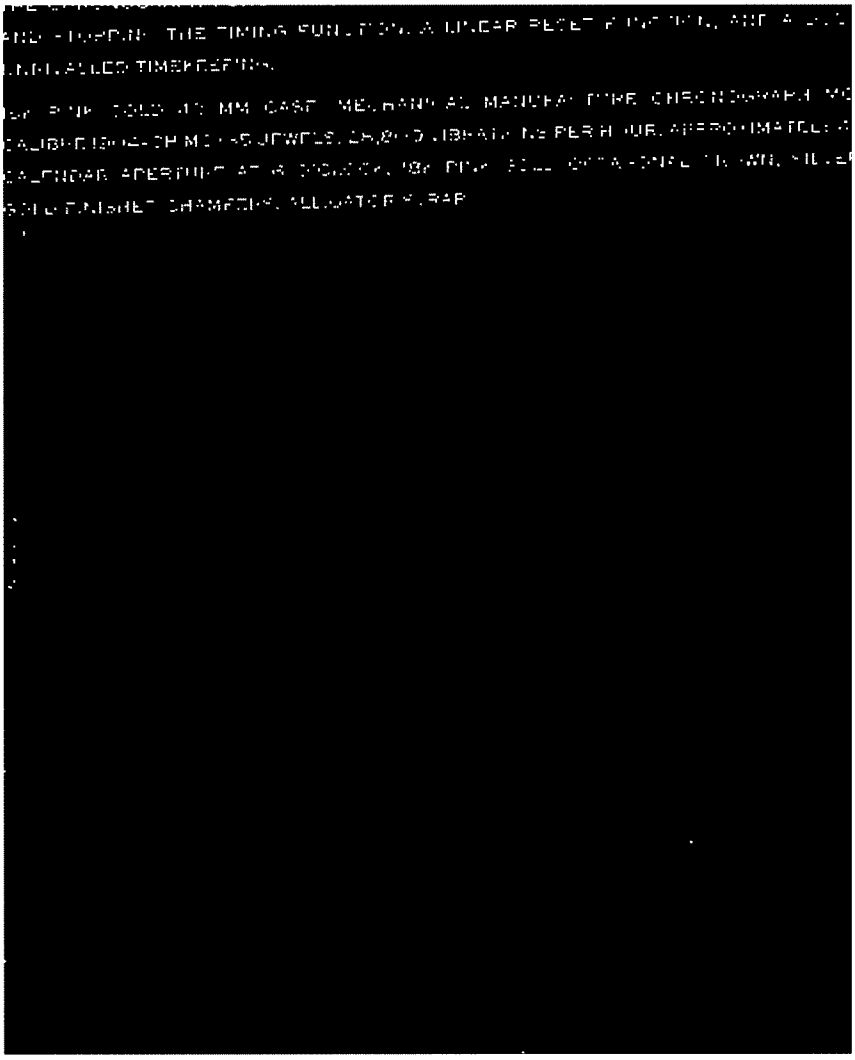
+ Award winning services + Aided by technology and delivered with care + 7 million+ happy

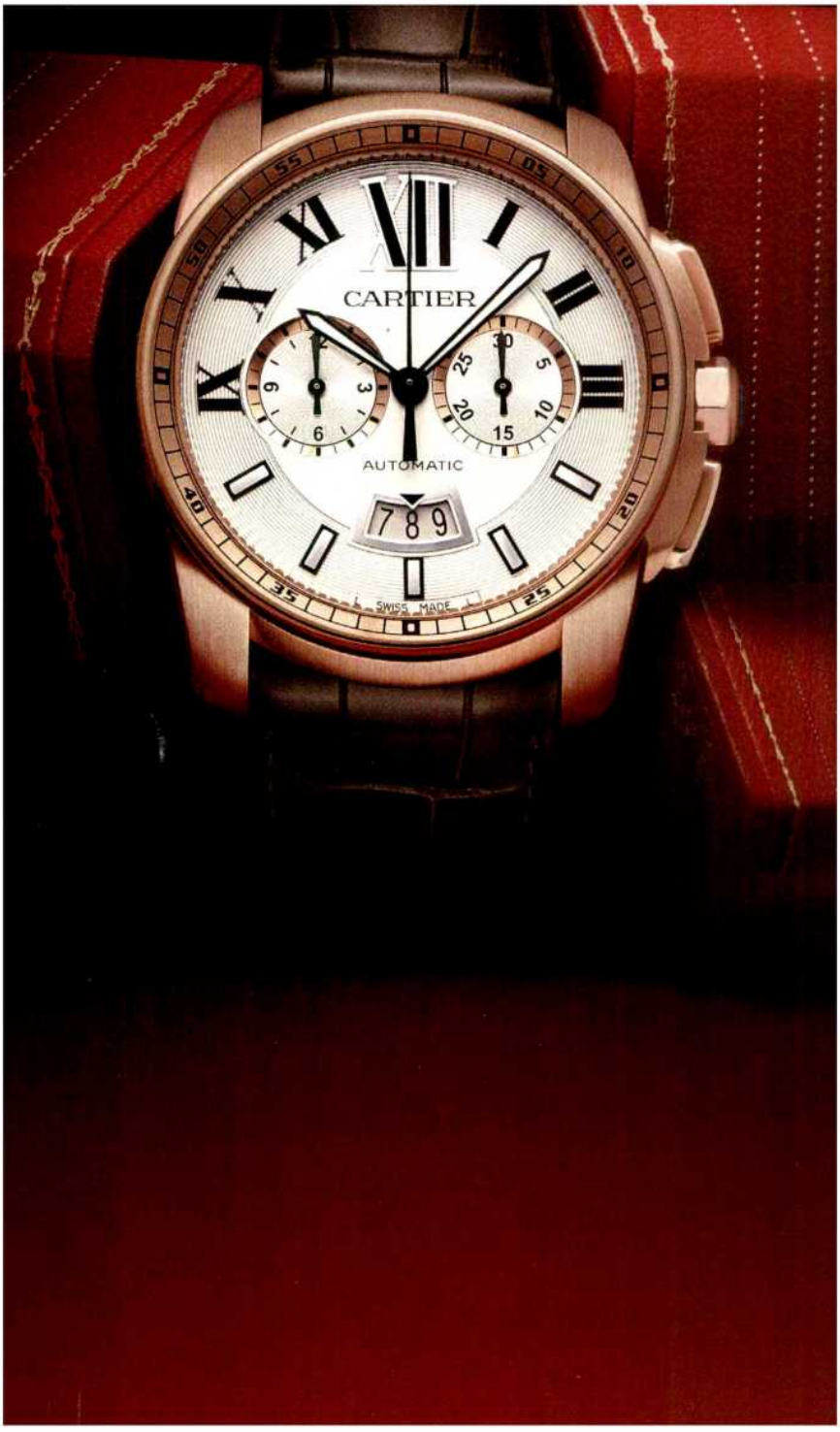
Call 1800 200 5544 (toll free) or sms CHOLA to 56677*; www.chola

Comprehensive health insurance covers: Individual & Family Floater + Topup + Critical + Hospi

Disclaimer: For more details on risk factors, terms and conditions, please read sales brochure carefully before concluding a sale.
Section 41: 1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue a
of risk relating to lives or property in India any rebates of the whole of the commission payable or any rebate of the premium shown in the policy
renewing or continuing a policy accept any rebate expect such rebate as may be allowed in accordance with the published prospectus or tables of
2. Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to Rs.500 -

Insurance is the subject matter of solicitation. *Premium SMS charges apply




CARTIER
AUTOMATIC
789
SWISS MADE

From the Managing Editor

No sooner had India's October inflation numbers, at an eight-month high of seven per cent, been announced last week, than a now-familiar air of gloom settled in business circles. Still, Europe and the US made India look good. On November 7, the European Central Bank halved its main refinancing rate to 0.25 per cent – similar to the repo rate in India, which the Reserve Bank of India has set at 7.75 per cent – and kept its deposits rate at zero. There's even some talk of charging banks depositing money with the ECB! Mario Draghi, ECB President, desperately wants to ease further supply of cash to nudge up economic activity. Soon after, across the Atltantic, Janet Yellen, expected to chair the Federal Reserve from early 2014, rooted for the Fed's ultra-easy money policy. At a time when finance ministers worry if their home-economies will pass a stress test, the Draghi-Yellen utterances were welcomed in India. It helped the rupee in particular that both Finance Minister P. Chidambaram and RBI Governor Raghuram Rajan made forecasts of a lower current account deficit (CAD).

A big reason in New Delhi's success with reining in CAD (simply put the difference in exports and imports, net of transfers) is the increase in import duty – three hikes since January – on gold imports. The yellow metal's imports have shrunk nearly one-third in the July-September quarter from a year ago. But jewellery demand in India, the biggest buyer of gold in the world (it imported 845 tonnes of the yellow metal in 2012/13), has not abated and gold smuggling is back at its strongest in nearly three decades. Special Correspondent Sarika Malhotra, wove her way through obstacles – including a hawk-eyed bean-counter in the newsroom – to bring us the untold story of how gold is smuggled into Kerala, a state where more gold is bought than any other. I was astounded to hear from Sarika that even big, organised gold retailers in the state meet about 30 per cent of their gold requirement from smuggled sources and that number is as much as half in the unorganised segment. Turn to page 114.

At *BT*, we like our lists because you like them. On page 60, you will see one of our most rigorous: the *BT*-KPMG Best Banks Survey. This year, HDFC Bank, India's second-largest private lender and most valuable one, is back on the top after five years. Aditya Puri, Managing Director of the bank that was at the top between 2003 and 2008 (except in 2004, when we didn't conduct the survey), has a familiar challenge. Some 54 per cent of his branches are in semi-urban and rural areas, but they contribute just 15 per cent of his revenues. How does he fix the skew? That is a question 26 banking licence aspirants in India should be worrying about, too, and our partner and consultancy firm KPMG India has some direction for them. A team of five writers helped Senior Editor and resident banking expert Anand Adhikari put together what is a meaty read on the business of lending. Follow #BTBestBanks on Twitter for nuggets and pointers on the package. Also, notice that we are publishing Twitter handles of all our writers from this issue.

Telecom, a business that has come into being in India in the last 18 years, makes just about one-fifth of the ₹7.63-lakh crore revenues that banking generates. Provocative as it may sound, the impact and reach of telecom goes beyond. India has about 900 million phone connections versus 350 million bank accounts. The virtuous impact of telecom has been held back in last five-odd years for multiple reasons: intense competition, lack of spectrum, and a government that sees the industry as a goose that lays golden eggs. With Rahul Khullar at the helm of sector regulator, Telecom Regulatory Authority of India, there is change in the air. Authors Executive Editor Suveen K. Sinha and Associate Editor Sunny Sen call it "breathing easy". I see it as a welcome call.

Josey Puliyenthuruthel

josey.john@intoday.com
@joseyjohn

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie
Group Chief Executive Officer: Ashish Bagga
Group Synergy and Creative Officer: Kalli Purie

Managing Editor: Josey Puliyenthuruthel
Executive Editor: Suveen K. Sinha
Deputy Editors: Debashish Mukerji, K. Sai Srinivas, Alokesh Bhattacharyya

CORRESPONDENTS
Senior Editors: Anand Adhikari, N. Madhavan, Shamni Pande
Senior Associate Editors: Mahesh Nayak, Goutam Das
Associate Editors: K.R. Balasubramanyam, Shweta Punj, E. Kumar Sharma, Ajita Shashidhar, Suprotip Ghosh, Manisha Singhal, Sunny Sen
Assistant Editors: Manu Kaushik, Nidhi Singal, Taslima Khan
Special Correspondents: Anilesh Mahajan, Sarika Malhotra, Ajay Modi, Arpita Mukherjee
Principal Correspondent: Arunima Mishra
Trainee: Kaavya Chandrasekaran

COPY DESK
Senior Editors: Uma Asher, Rishi Joshi, Sumit Upadhyaya
Senior Associate Editor: Sugita Katyal
Chief Copy Editors: Gadadhar Padhy, Roopali Joshi
Copy Editor: Basudha Das

PHOTO DEPARTMENT
Photo Editor: Vivan Mehra
Deputy Chief Photographer: Shekhar Ghosh
Principal Photographer: Rachit Goswami
Senior Photographers: Aditya Kapoor, Nilotpal Baruah
Photographer: Nishikant Gamre
Photo Researcher: Palak Neb

ART DEPARTMENT
Art Editor: Safia Zahid
Deputy Art Director: Anand Sinha
Assistant Art Directors: Anita Jaisinghani, Amit Sharma, Santosh Kushwaha
Senior Visualisers: Vikas Gupta, N. Ravishankar Reddy, Raj Verma

PRODUCTION DEPARTMENT
Chief of Production: Harish Aggarwal
Production Coordinators: Narendra Singh, Rajesh Verma
Senior Supervisor: Rajkumar Wahi
Senior DTP Designer: Mohammed Shahid

RESEARCH DEPARTMENT
Librarian: Vijaylakshmi Vardan
Assistant Librarian: Satbir Singh
Senior Research Associates: Jyotindra Dubey, Niti Kiran

Group Business Head: Manoj Sharma
Associate Publisher (Impact): Anil Fernandes

IMPACT TEAM
Senior General Managers: Kaustav Chatterjee (East), Jitendra Lad (West), Head (North): Subhashis Roy
General Managers: Shailender Nehru (Bangalore), Velu Balasubramaniam (Chennai)

Marketing: Vipul Hoon, General Manager; Vibha Arora, Brand Manager

Head-Consumer Services: Poonam Sangha, Senior General Manager

Newsstand Sales: D.V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Manish Shrivastava, Senior Manager (North); Joydeep Roy, Senior Manager (East); Rajesh Menon, General Manager (West); Deepak Bhatt, General Manager (South); Rakesh Sharma, General Manager (Operations)

Vol. 22, No. 25, for the fortnight November 25 to December 8, 2013. Released on November 25, 2013.

● Editorial Office: India Today Mediaplex, FC 8, Sector 16A, Film City, Noida-201301; Tel.: 0120-4807100; Fax: 0120-4807150 ● Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase 5, Gurgaon-122001; Tel.: 0124-4948400; Fax: 0124-4030919; Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013; Tel.: 022-66063355; Fax: 022-66063226; Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018; Tel.: 044-28478525; Fax: 044-24361942; Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025; Tel.: 080-22212448, 080-30374106; Fax: 080-22218335; Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071; Tel.: 033-22825398, 033-22827726, 033-22827922; Fax: 033-22827254; Hyderabad: 6-3-885/7/8, Raj Bhawan Road, Somajiguda, Hyderabad-500082; Tel.: 040-23401657, 040-23400479; Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006; Tel.: 079-6560393, 079-6560929; Fax: 079-6565293; Kochi: Kerakkatt Road, Kochi-682016; Tel.: 0484-2377057, 0484-2377058; Fax: 0484-370962 ● Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-2479900 from Delhi & Faridabad; 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India; Toll free no:1800 1800 100 (from BSNL/ MTNL lines); Fax: 0120-4078080; E-mail: wecare@intoday.com ● Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301; Tel.: 0120-4019500; Fax: 0120-4019664 © 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001.

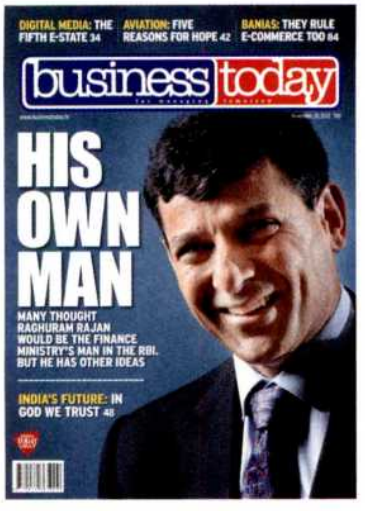
● *Business Today* does not take responsibility for returning unsolicited publication material.

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

For reprint rights and syndication enquiries, contact syndications@intoday.com or call +91-120-4078000
www.syndicationstoday.in

Retail Banking | Corporate Banking & Infrastructure Financing | Priority Sector Lending

IDBI Bank Limited, Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005.
Call: 022 66937000. Call Toll Free: 1800 22 1070 / 1800 200 1947. | www.idbi.com



The Real Rajan

The cover story *His Own Man* (November 24), together with the interview given by RBI Governor Raghuram Rajan has clearly portrayed the real Rajan. It is comforting to find that Rajan remains as forthright in expressing his views after taking over as governor as he was when he wrote his book *Fault Lines*. Those who have read *Fault Lines* will not be surprised by his approach. The finance minister, who before Rajan, had appointed D. Subbarao hoping to have a submissive RBI governor, was soon disappointed. He is likely to be second time unlucky with Rajan. We are lucky to have institutions like the RBI which, in terms of work ethic and independent functioning, can match the best in the world.

M.G. Warrier, *Mumbai*

IF Only

Like the title of the Rudyard Kipling poem "*If*", quoted by Raghuram Rajan in his maiden speech after taking charge as governor of the RBI (*His Own Man*, November 24), there are many *ifs* connected with his role as well. Rajan has the intelligence, the academic background, the skill sets and the grit to see the country out of its current morass, but only *if* he is given a free hand to tweak interest rates; *if* he is not targeted personally; *if* he gets the required support from his team mates; *if* he is allowed to complete his tenure of three years; *if* he is not blindly opposed every time he throws a new dice (such as allowing foreign banks to acquire local lenders); *if* he is not made a scapegoat for the follies of our political and economic system. Thus the Kipling poem which concludes the report is not really an apt analogy. Rajan is a man, not a machine.

J.S. Broca, *New Delhi*

Bania Power

The feature on the Bania community (*The More Things Change*, November 24) was interesting. Though small in size, this community is one of the richest in the country. The way it has acquired an iron grip over e-commerce in India is truly amazing. It just shows that enterpreneurship runs in the community's veins and it can adjust to the demands of the times. Its ability to take bold decisions is praiseworthy.

Abhinav P., *New Delhi*

Corrections

The story *V-sign for Video* (Nov 24, Page 78) quotes Amit Marwah, Chief Technology Officer at NSN, as saying: "3G consumes four times the spectrum of what normal data usage takes." What Marwah actually said was: "An average 3G subscriber consumes mobile data four times that of a normal 2G data user." Marwah's name was also misspelt.

The story *Going off the Rails* (Sept 29, Page 28) said Mumbai Metro One Pvt Ltd, a company tasked with building, running and maintaining a metro transport in Mumbai and owned by Reliance Infrastructure, had told the Maharashtra government in August 2013 that a fare hike was required in the project. A Reliance Infrastructure spokesman has clarified that the first letter in this regard to Mumbai Metropolitan Region Development Authority was written in February 2012. We regret the errors.

Send all your comments to editor.bt@intoday.com

www.facebook.com/BusinessToday

Rupee continues to slide further against dollar
It seems that Chidambaram's damage is more visible than Rajan's remedial measures.
- **Jagadeeswara Prasad Koduru**

Usha Ananthasubramanian has been appointed CMD of Bharatiya Mahila Bank.
But what is the need for a women's bank?. - **K. Chakravarthy**

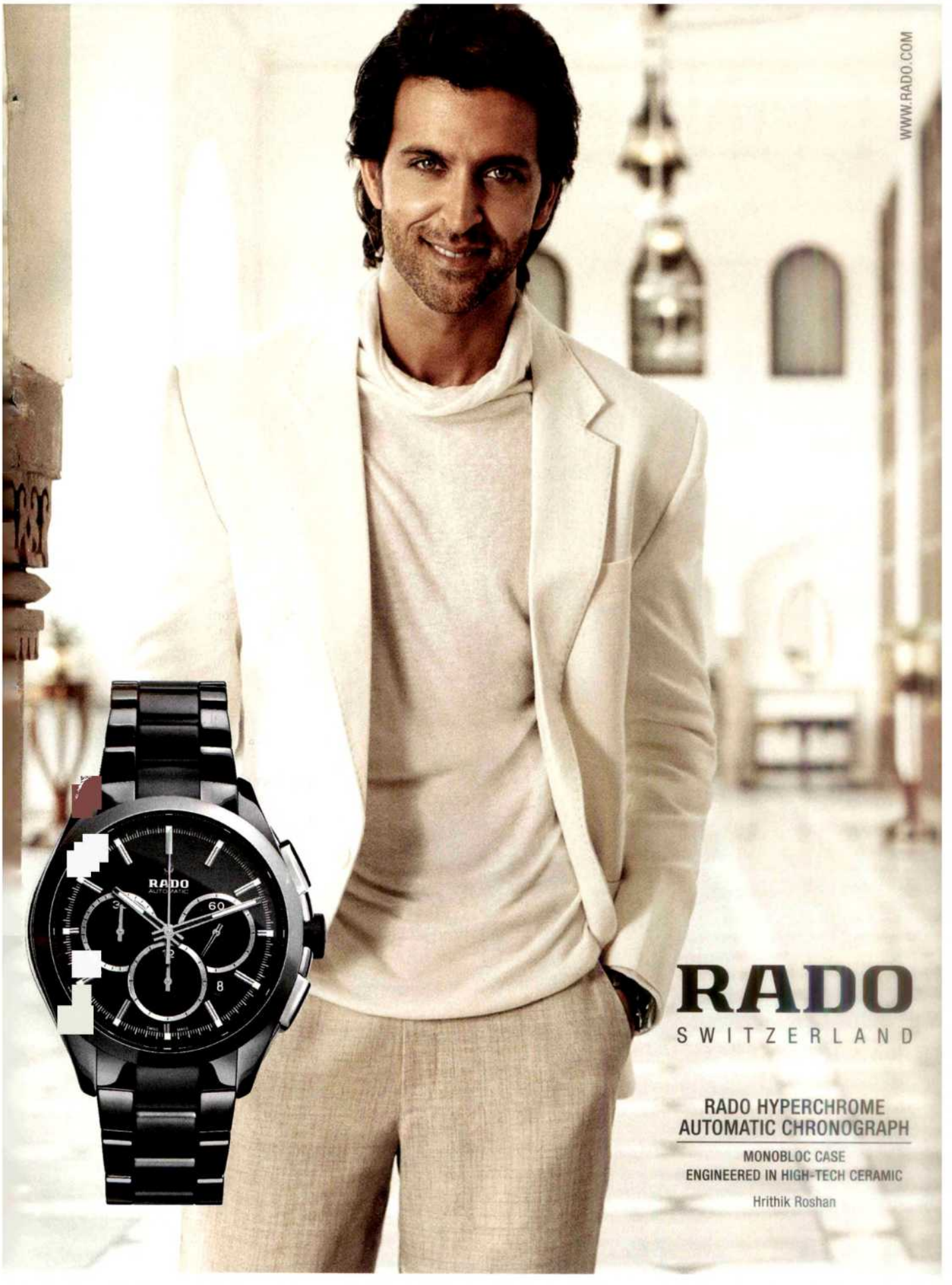
Salaries in India expected to rise 11 per cent in 2014.
I foresee expectational inflation in the near future. - **Nilanga Prasannaka**

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, India Today Mediaplex, FC-8, Sector 16/A, Film City, Noida-201301.
Email: letters.bt@intoday.com/editor.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no. 1800 1800 100 (from BSNL/ MTNL lines); Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

BT SCRAPBOOK
- ▷ React to articles in BT
- ▷ Suggest story ideas
- ▷ Share your experience as consumer or SME
- ▷ See what others have to say on our stories on scrapbook at www.businesstoday.in



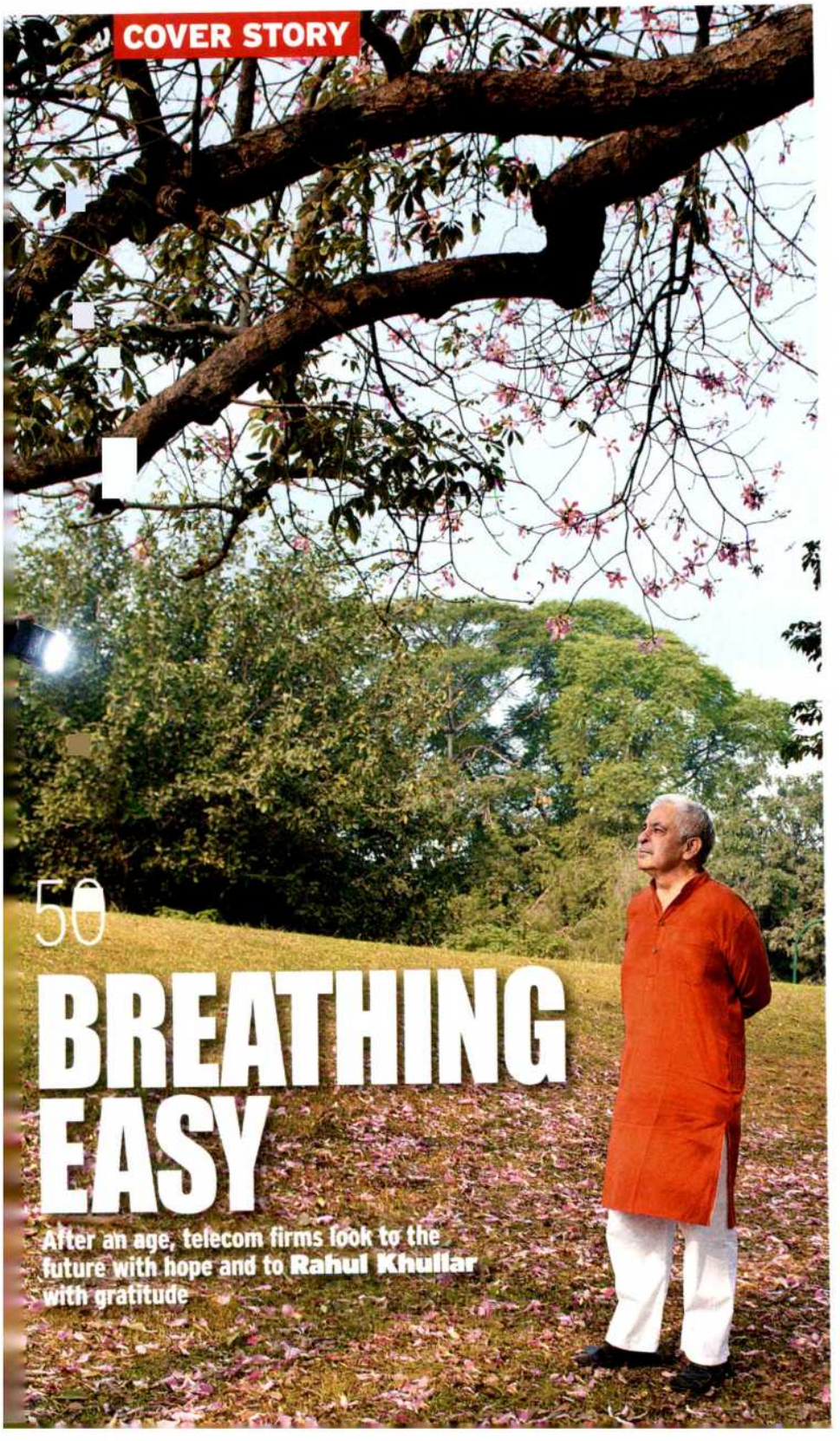
STORES: AHMEDABAD: Ph: 26442802. **BANGALORE:** Ph: 30160121, 40982107. **COCHIN:** Ph: 4060336, 9142491424. **CHENNAI:** Ph: 42613000, 28464224, 30083480. **AON:** Ph: 4665607. **HYDERABAD:** Ph: 65795916, 23420070. **KOLKATA:** Ph: 22814466, 40002954. **MUMBAI:** Ph: 28337244, 67439854; Thane: Ph: 64521117. **NEW DELHI:** 575253. **NOIDA:** Ph: 4210121. **TRIVANDRUM:** Ph: 2728999.

CONTENTS

COVER BY ANAND SINHA
PHOTOGRAPH BY VIVAN MEHRA

DECEMBER/8/2013
VOLUME 22/NUMBER 25

COVER STORY



50
BREATHING EASY
After an age, telecom firms look to the future with hope and to **Rahul Khullar** with gratitude

SPECIAL

60 | India's Best Banks 2013
Indian banks face multiple challenges as the economy slows and loan defaults mount. *Business Today*'s annual listing of best banks raises a toast to those who braved the headwinds

66 | Cracking the Rural Puzzle
HDFC Bank returns to the top of the heap after a five-year hiatus

72 | Version 2.0
Rana Kapoor's YES Bank, at the top again in the mid-sized category, is focusing on retail growth

76

76 | Socially Aware
Private banks are leveraging online social networks to engage customers and boost brand visibility

82

82 | Native Prudence Pays
Stung by the financial crisis of 2008, foreign banks have curbed their exuberant retail lending and are back in clover again

86 | Superstars All
Snapshots of winners in different categories. Some grew despite the slowing economy, some prospered by keeping tight control on the quality of assets

92

92 | Column: Infra Worries
M.S. Raghavan on how to ease the current difficulties in financing infrastructure projects

94 | Ringing in the New
The challenges the awardees of new banking licences will face

98

98 | State of Equality
It is not only private banks, a number of state-owned banks, too, now have women at the helm

104 | Methodology

106 | Tables

ONLINE

Well Connected

Telecom operators and telecom regulator TRAI have been at loggerheads for long. But with Rahul Khullar taking over as the TRAI chief, there is a distinct change.
businesstoday.in/khullar-telecom

Best Banks 2013: A BT-KPMG Survey

Video interview with **Aditya Puri**, CEO of HDFC Bank, which won the overall Best Bank award in the Large Banks category.
businesstoday.in/bestbanks2013-hdfc

Video interviews with CEOs of other banks which won in different categories.
businesstoday.in/bestbanks2013-winners

Reebok Re-fit

Reebok is repositioning itself as a fitness brand rather than a multi-sports brand and actively wooing women buyers.
businesstoday.in/reebok-women

Worth Its Salt?

Why did salt prices briefly rise to ₹150 a kg from ₹16-20 in Bihar and Jharkhand?
businesstoday.in/salt-price

Green Signal

How the construction of Mumbai's second airport, at Navi Mumbai, long held up due to land acquisition issues, was finally cleared.
businesstoday.in/navimumbai-airport

PERSPECTIVE

Inflation Unabated

There has been little reason for cheer on the inflation front for the last two years, notes **Shweta Punj**.
businesstoday.in/inflation-woes

CONTENTS

UPFRONT

14 | Quick takes on major events

FOCUS

18

18 | Hit and Miss
Opinion polls are gaining popularity in India but a question mark hangs over their reliability

28 | Graphiti on the banking sector

FEATURES

36

36 | Manna from Mars
ISRO's first mission to the red planet provides a fillip to its local component suppliers

40

40 | Unique Flavour
The online restaurant search guide aspires to build a global Internet brand out of India

46 | Dreams Meet Reality
Air India was betting on the Dreamliners to turn around. That looks difficult at the moment with the jets reporting multiple problems

114 | Yellow Peril
Recent curbs on its official import have led to a spurt in the smuggling of gold. *BT* tracks the subterranean trail of the yellow metal from West Asia to Kerala

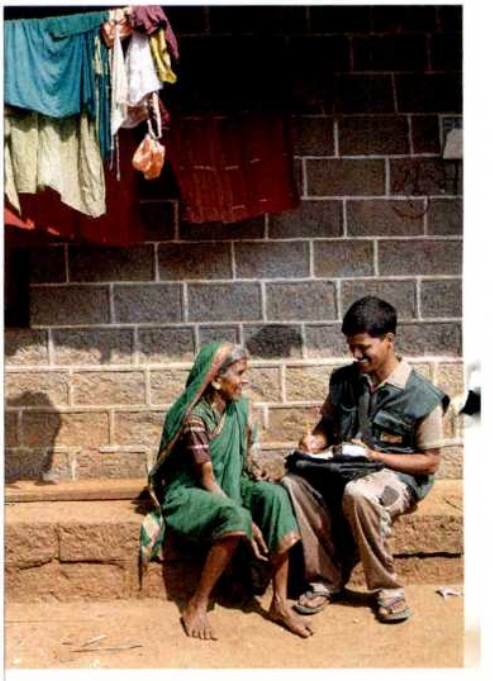
126

122 | Cooperate to Compete
Rival players within industries working together for a larger goal get the thumbs up at *BT*'s CEOs lunch meet in Delhi

126 | *HBR* Exclusive:
Advertising's New Medium: Human Experience

Find the Right Job on Page:146-149
Jobs Today
Get Lucky. Get Active on Monster.
• Better Access • Better Connections
• Better Jobs
Powered by:
monster
Find Better.™

An IMPACT Feature
From time to time, you will see pages titled "An Impact Feature" in *Business Today*. This is no different from an advertisement and the magazine's editorial staff is not involved in its creation in any way.



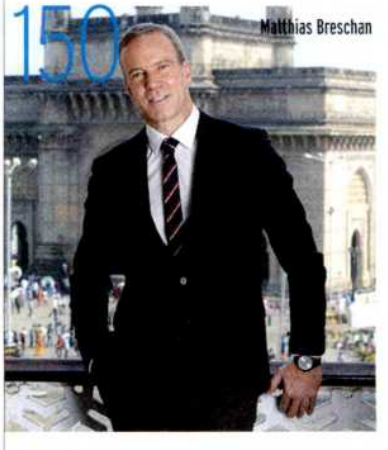
139

LBNL

139 | Banking the Unbanked
Farmers, schoolteachers, village clerks and rural women are taking banking to the doorstep of people in far-flung regions across the country

BOOKEND

145 | Chindian Cherry Pie
There are huge opportunities for companies which understand Indian and Chinese consumers

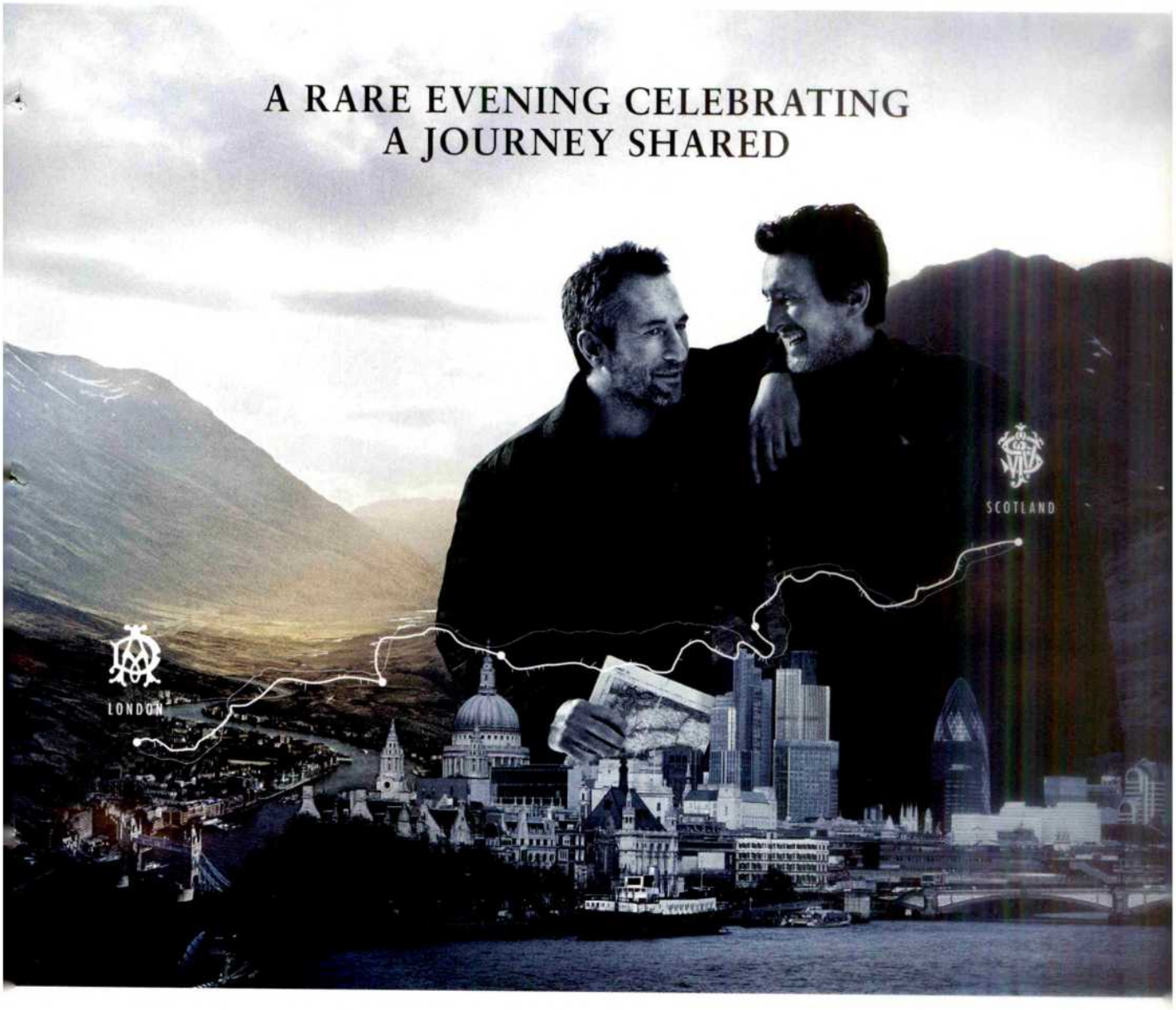


150

150 | PEOPLEBUSINESS

LEADERSPEAK

156 | Venkatesh Valluri
Chairman & President, Ingersoll Rand, India



JOIN US AS WE EMBARK ON AN EXTRAORDINARY JOURNEY WITH JASON LEWIS - PIONEER, GAME CHANGER AND WORLD RECORD HOLDER - THE MAN WHO CIRCUMNAVIGATED THE GLOBE BY HUMAN POWER ALONE.

JOHNNIE WALKER
Blue Label
BY
ALFRED DUNHILL
EVENINGS

NEW DELHI
NOVEMBER 21ST, 2013

•

MUMBAI
NOVEMBER 22ND, 2013

•

BANGALORE
NOVEMBER 23RD, 2013

JOIN THE CELEBRATION AT:

/JohnnieWalker

BE RESPONSIBLE.

The JOHNNIE WALKER and BLUE LABEL words and associated logos are trade marks © John Walker & Sons 2013
Alfred Dunhill and associated Dunhill trade marks belong to Alfred Dunhill Limited.

ANANDA IN THE HIMALAYAS

Prince and Pensioner: The Prince of Wales celebrated his 65th birthday in India, along with his wife Camilla, Duchess of Cornwall. The future king was in the limelight when he took the Queen's place at the summit of the Commonwealth Heads of Government in Sri Lanka. Prince Charles is now entitled to a state pension of £110.15 (a little over ₹11,000) per week.

Corporate

The cola giants are competing with each other to be part of the India growth story. **PepsiCo** has just announced plans to double its manufacturing capacity in the country and to invest $5.5 billion (around ₹34,000 crore) by 2020, according to **Chairperson and CEO Indra Nooyi**. In June, **Coca-Cola** has announced plans to invest $5 billion in India by 2020.

Car sales in India are expected to fall in the current financial year, which ends in March 2014, marking a second straight year of decline, according to industry body SIAM. Passenger car sales fell 3.88 per cent to 163,199 units in October, compared with 169,788 in the same month of 2012. Motorcycle sales in October grew by 18.05 per cent to 1,105,103 units, from 936,122 in the same month of the previous year.

Indian business optimism has averaged 70 per cent over the past four quarters, well below pre-crisis levels (97 per cent in 2007) and down even from the 2009 figure (83 per cent), according to audit and advisory firm Grant Thornton's *International Business Report*.

The Competition Commission of India has approved the **Jet Airways-Etihad** deal, the first foreign direct investment in an Indian carrier by an overseas airline. The Abu Dhabi-based airline acquired a 24 per cent stake for ₹2,058 crore in the Indian carrier.

Tata Motors has indicated that it does not want to give up the leasehold rights to 997 acres of land in Singur, West Bengal. The car maker told the Supreme Court it wants to return to the state for the next phase of expansion.

The **Bombay Stock Exchange** will launch currency and interest rate derivatives, including rupee-dollar futures contracts, in December. BSE will become the fourth player in currency derivatives in India, after NSE, MCX Stock Exchange and United Stock Exchange.

Indians are set to outnumber American Internet users to become the world's second largest online community after China. India is expected to have 213 million Internet users by December, and 243 million by June 2014. India's netizen strength stood at 205 million in October. Rural India has seen a 58 per cent year-on-year growth in active internet users since June 2012.

US Airways Group Inc and American Airlines will be allowed to merge to become the world's largest airline after they agreed to give low-cost rivals more access to key US airports. The government had opposed the merger on the grounds that it would hinder competition and lead to higher fares.

Economy

The **Maharashtra** government has cleared a major bottleneck to pave the way for the construction of the **Navi Mumbai airport**, one of the state's most ambitious infrastructure projects. State authorities reached an agreement with farmers on compensation for the land to be acquired for the project. The Navi Mumbai airport is proposed to be developed as a second airport for Mumbai, as the existing Chhatrapati Shivaji International Airport reaches its optimum level of handling 40 million passengers a year by 2014.

Punjab and **Kerala** top the list in prosperity and equality amongst Indian states, while Maharashtra leads in terms of per capita income, says a study by CRISIL. **Madhya Pradesh** is the least prosperous state. CRISIL has developed the prosperity and equity indices on the basis of ownership of consumer durables in a state, using 2011 Census data.

The **Pension Fund Regulatory and Development Authority Chairman Yogesh Agarwal**, who had another one-and-a-half years left at the helm, made a sudden exit after he was excluded from the selection committee to appoint two whole-time directors of the PFRDA. The body administers the National Pension System for Union and state government employees and the unorganised sector. Total pension funds under the NPS are estimated at over ₹37,000 crore.

11.46 mt

E-auction of Goa ore permitted by the Supreme Court. The excavated iron ore is lying idle in the mines in Goa since a mining ban was imposed last year. Before the ban in Karnataka and Goa, India was the world's third largest exporter of iron ore.

55%

Share of smartphone sales among all mobile phones sold from July to September, compared to 40 per cent for the whole of 2012, according to an Ericsson report. Mobile subcriptions across the world are expected to reach 9.3 billion by 2019. More than 60 per cent of these will be for smartphones.

Markets

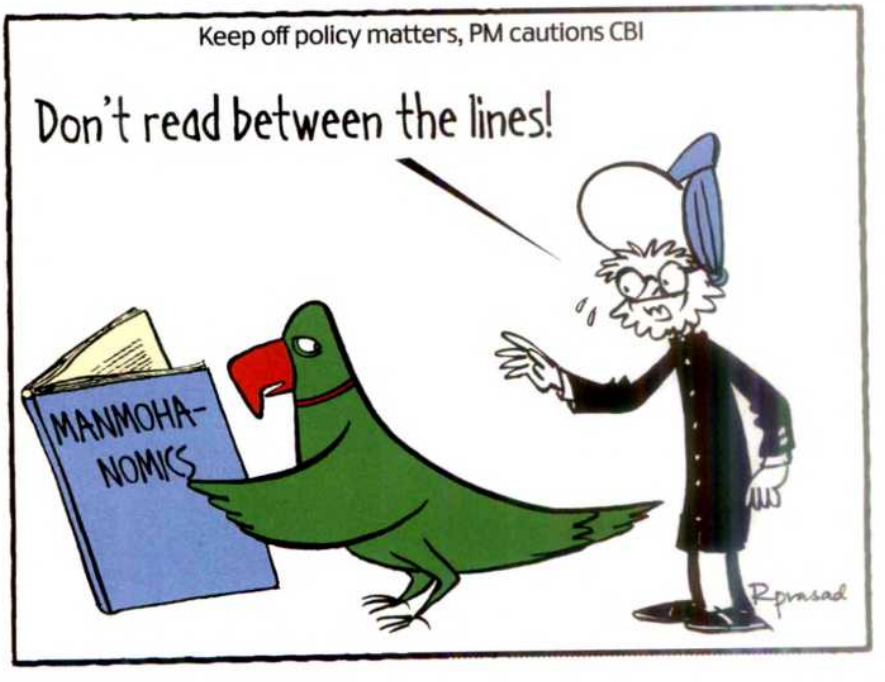
As **Microsoft** is set to withdraw support to the popular **Windows XP** operating system, over 34,000 branches of public sector banks, especially in the rural and semi-urban areas, are at risk, according to a study. The penetration of Windows XP in the banking sector is still high at 40 to 70 per cent.

State Bank of India, the country's largest lender, has posted a 35 per cent fall in net profit at ₹2,375 crore for the quarter ended September 30 after higher provisioning for bad debts. This is the bank's first earnings after **Arundhati Bhattacharya** took over as Chairperson on October 7.

Coming Up

- The finance ministry wants to sell 10 per cent of the government's stake in Indian Oil Corporation in November to meet its disinvestment target of ₹40,000 crore. This will pave way for disinvestment of other oil sector PSUs such as Engineers India.

- Air India plans to upgrade the software in all its 10 Boeing 787 Dreamliner jets from December. The process will not ground the planes for long. The 787 has suffered a series of glitches since it was introduced two years ago. (See story on page 46).



Action Memo
Just scribble to make a call, send a text message or save a number to your contacts.

New Multi Window
Run two different apps or the same app in two windows and seamlessly drag and drop content from one to the other.

Smart Relay
Content displayed on Galaxy Ge screen is instantly relayed to the Galaxy Note 3, when you pick it

Available at Samsung exclusive stores SAMSUNG SAMSUNG | SmartCafé, all leading Mobile Stores and at www.samsung.com/in/estore SAMSUNG eStore

Life is by design

When you are inspired by a passion, you live for the current moment.
Your everyday thoughts and actions become the story of your future.
Galaxy Note 3 and Galaxy Gear help you achieve your passions and dreams.
More easily, more amazingly, every day.
When writing the story of your life, don't let anyone else hold the pen.

Samsung GALAXY Note 3 + Gear DESIGN YOUR LIFE

Available in: Jet Black | Classic White | Blush Pink

know more SMS '**NOTE3**' OR '**GEAR**' TO **56886**** OR visit us at : **www.samsung.com/in/galaxynote3**

ns & Conditions Apply. Images, features and specifications shown here are for representational purposes and are subject to change without notice. **Premium SMS Charges Apply.

Cheil-0777/13

FOCUS

22 Super Activa
24 Banking on Sachin
28 Colossus of Cash

RAJ VERMA

Hit and Miss

Opinion polls are gaining popularity in India but a question mark hangs over their reliability. By SHWETA PUNJ

There has been a proliferation of home-grown pollsters in the last few years

In mid-August, the C-Voter - *India Today* poll predicted that Narendra Modi remains the people's first choice for the post of Prime Minister but he has yet to convert his popularity into votes for the Bharatiya Janata Party (BJP). C-Voter estimated a Lok Sabha tally of 155 for the BJP-led National Democratic Alliance (NDA) in the 2014 elections, about 18 seats more than the ruling United Progressive Alliance (UPA). A few days after the survey was made public, Yashwant Deshmukh, the founder of the polling agency, C-Voter, received a rather unusual request.

Deshmukh was requested by ICICI Bank to visit Mumbai for two days and meet 18 chief investment officers of foreign institutional investors. Global rating agency Standard & Poor's also sought an interaction with Deshmukh and almost a fortnight later decided to hold its sovereign rating of India until after the Lok Sabha polls next year.

Deshmukh held separate two-hour-long meetings with the CIOs and the S&P representatives to discuss his survey findings. Now, he says he has been invited to address another such investor meet in Mumbai in December. This was the first time the investor community has sought a pollster to discuss the various post-election scenarios. In the past, such meets have been largely addressed by news editors.

The above example highlights the growing clout of pollsters in India and reflects the increasing demand for and value of political surveys – from global agencies like ACNielsen to local pollsters like C-Voter, they are all taking a shot at predicting who will form the next government in the largest democracy of the world. Surveys are getting commissioned by media houses, political parties and even candidates. Deshmukh got two calls from a leading television channel for a Chhattisgarh state survey during his conversation with *Business Today*. This is the kind of frenzy over surveys, whose reliability and accuracy is questioned by many.

"You need to reach out to remote locations, which add to the costs. So, people try and take shortcuts"
Sanjay Kumar, *Professor, CSDS*

The ruling Congress is now the latest to join the chorus against opinion polls. The main opposition party BJP is quick to portray the Congress stand as a case of sour grapes – most polls show the party losing ground across the country. Meanwhile, the Election Commission has already sent a proposal to the law ministry to ban pre-poll surveys.

There has been a proliferation of home-grown pollsters in the last few years, with smaller agencies such as Cicero battling it out with bigger ones such as C-Voter and The Centre for the Study of Developing Societies (CSDS). While increased mobile and net connectivity has made it easier for agencies to conduct all kinds of surveys – on phone and online – there is no consistency about methodology. Most of these polls are blamed for being largely urban and male-centric. "You need to reach out to remote locations, which add to the costs. So, people try and take shortcuts," says Sanjay Kumar, a professor at CSDS. There is a lot of online data collection, which is very unscientific, according to V. Surya, Vice President, IMRB International. "Sample sizes are hardly anything. There is a question mark on reliability. Many of the surveys are not talking about how they collected their samples," adds Surya.

"Sample sizes are hardly anything. Many of the surveys are not talking about how they collected their samples"
V. Surya, *Vice President, IMRB International*

Indeed, in the last two Lok Sabha elections almost all pollsters got it horribly wrong. In the 2004 elections, most polls predicted the NDA would come to power and they got it wrong. In the 2009 elections, most polls predicted the winning alliance correctly, but were off the mark on seat projections. "Polls were saying that the UPA would reach 180 to 185, nobody expected it to cross 200," says CSDS's Kumar. The final tally of the UPA was 262 seats.

How it Works

In times of competitive bidding for projects, pollsters are charging as low as ₹10 per question to a respondent. Survey costs can range between ₹75 and ₹100 per respondent or even more. There are various variables that determine the accuracy of a survey – timing, sample size, the type and order of questions, and training of the interviewer. A large complex survey can require close to three hours per respondent. "Asking the right questions is an art. Intensive training of the interviewer, body language makes a difference to the responses," says Pronab Sen, former chief statistician of India.

Most polling agencies do not share their raw data, which makes it almost impossible to cross-validate the findings. "Data is a black box which only the agency knows," says Sen.

Now, the big question – can opinion polls influence the outcome of elections? Highly unlikely, say almost all poll pundits. The only way surveys can influence the voter is if all of them predict the same result. The fence sitters are then likely to turn to the winning side. With a fledgling ecosystem, polling agencies have to rely on media and even political funding to really thrive. Indeed, some pollsters in India now have a political connect – Deshmukh is the son of late Rashtriya Swayamsevak Sangh leader Nanaji Deshmukh while Yogendra Yadav, professor at CSDS, is now a member of the Aam Aadmi Party. "I want to remind people who question my credibility that I was the one to predict a Congress victory in Karnataka," says Deshmukh.

In a country of India's size and population, then, it's difficult to say which way the political wind will blow until the day of voting. In the absence of an established scientific methodology followed by most pollsters, the surveys can at best be a check on the mood of the nation. ◆

@shwetapunj

Change Is In the Air

Higher consumption of aviation turbine fuel in recent months reveals an incipient sectoral recovery. By AJAY MODI

There is some hope on the horizon for the Indian aviation industry. Higher consumption of aviation turbine fuel (ATF) in recent months indicates improved aircraft movement on rising passenger and freight traffic. Indeed, ATF consumption got a boost despite price hikes due to the rupee depreciation.

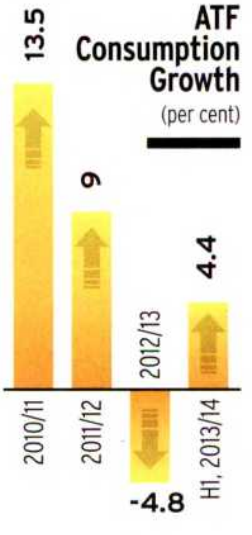
Better times: Things are looking up for the aviation industry

In the first half of the current fiscal, ATF consumption grew 4.4 per cent compared with a decline of 4.8 per cent in the same period last fiscal. In September alone, the latest month for which data is available, ATF consumption has expanded by a robust 7.3 per cent.

ATF CONSUMPTION GOT A BOOST DESPITE PRICE HIKES DUE TO THE RUPEE DEPRECIATION. THIS IS ATTRIBUTED TO HIGHER DOMESTIC TRAVEL OWING TO LOWER FARES BY AIRLINES

While there is a base effect to the current growth, it is encouraging that consumption is not falling further. The consumption of 442,000 tonnes in September 2013 is almost comparable to the 445,000 tonnes in September 2011. 2011/12 had registered an all time high ATF consumption of 5.53 million tonnes. In fact, consumption of 2.67 million tonnes in the first half of this fiscal is on par with the 2.68 million tonnes in the same period in 2011/12.

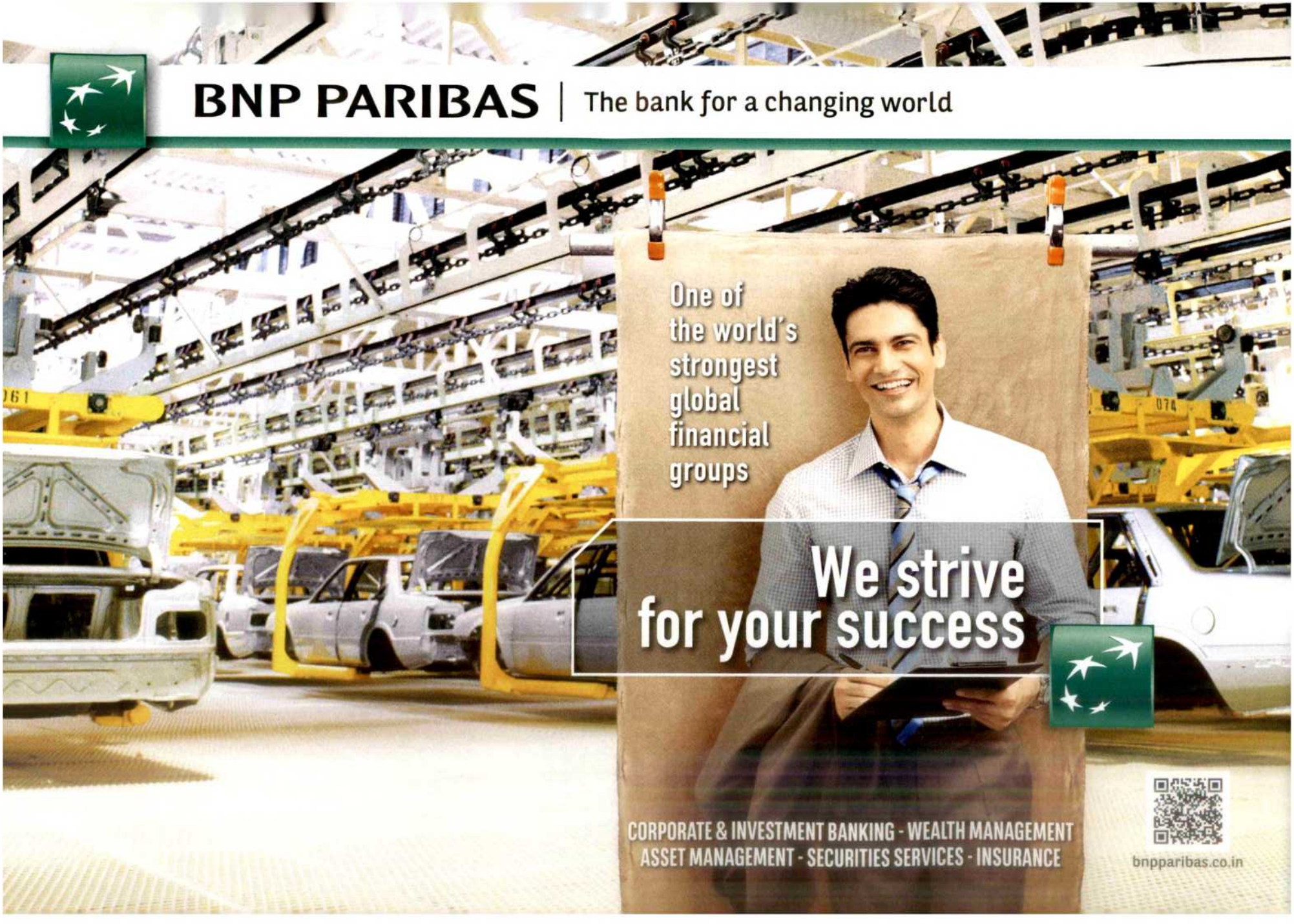
Petroleum Products Planning and Analysis Cell, the data wing of the Petroleum Ministry, attributed the rising ATF consumption to higher domestic air travel owing to lower fares charged by airlines. "High ATF uplift does indicate increasing aircraft movements. We now have to see how the peak season of November to January period pans out," says Amber Dubey, Partner and Head, Aerospace and Defence, at global consultancy KPMG.



In the last decade, ATF consumption witnessed two declines in a fiscal year. The first came in 2008/09, a result of an overall decline in industrial and economic activity because of global factors. It fell for the second time in 2012/13, owing to the closure of Kingfisher Airlines, high ATF prices and fares.

Data released by the Airports Authority of India also reveals an uptick in recent aircraft movement. It improved by 3.4 per cent in August, the latest month for which data is available, and by two per cent in July. Domestic and international passenger movements in August rose by 19.2 and 14.3 per cent, respectively. "The next financial year is also expected to witness healthy growth on expected reforms in ATF taxes, reduction in airport charges and flights by new entrants such as AirAsia and Tata-Singapore Airlines," says Dubey.

Meanwhile, ATF price, which had peaked to a record ₹77,089 per kilolitre (Delhi prices) in October on weakening rupee, has been revised to ₹73,607 from November. The decline in price has come after four consecutive hikes and will help airlines in improving business prospects. ◆


BNP PARIBAS | The bank for a changing world
One of the world's strongest global financial groups
We strive for your success
CORPORATE & INVESTMENT BANKING - WEALTH MANAGEMENT
ASSET MANAGEMENT - SECURITIES SERVICES - INSURANCE
bnpparibas.co.in

Return of the Scooter

For the first time in a decade, Honda's Activa scooter has sold more than Hero's best-selling Splendor motorcycle. By SUNNY SEN

Just two years after the turn of the century, Hero Honda overtook Bajaj Auto, riding on the stupendous sales of its Splendor motorcycle. In October this year, however, Hero MotoCorp's leadership was challenged by its erstwhile partner, the Japanese automaker Honda. Having parted ways with the Hero Group in late 2010, Honda achieved the feat of getting sales of its Activa scooters to zoom past those of Hero's Splendor. The achievement is all the more remarkable considering that for a decade now scooters have been considered yesterday's vehicles – wobbly and far less stylish than motorcycles.

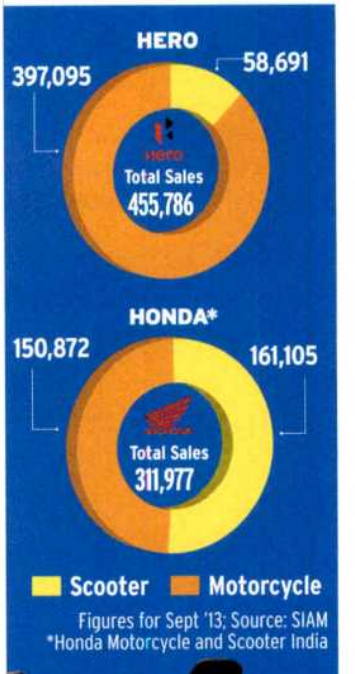
ACTIVA WAS LAUNCHED IN JUNE 2001, AT A TIME WHEN MOST TWO-WHEELER MANUFACTURERS WERE SEEING A DECLINE IN SCOOTER SALES.

Honda sold 141,996 Activas in October compared to 124,217 Splendors. "It has not happened overnight," says Yadvinder S. Guleria, Vice President, Sales and Marketing, Honda Motorcycle and Scooter India. "It took Activa 12 years and four months to reach here."

Activa was launched in June 2001, at a time when most two-wheeler manufacturers were seeing a decline in scooter sales. So, what is the reason behind Activa's success? Guleria believes it is because of the several changes the company made to the model over the years, keeping in mind the shifting market preferences. Activa, in fact, has undergone five facelifts till now.

Analysts, however, say Activa capitalised on the growing demand for scooters in recent months. "The industry is seeing this new resurgence in the market," says Akshay Bhalla, Managing Director at consultancy firm Protiviti. "The new scooters are not what we saw as kids, but at the same time they are low on maintenance and are more durable."

THE BIG PICTURE
Motorcycles dominate Hero's sales while it's scooters for Honda



Figures for Sept '13; Source: SIAM
*Honda Motorcycle and Scooter India

Concurs Amit Kaushik, principal analyst at IHS Automotive. "There is a shift in terms of over all choice of consumers. Splendor used to be a bestseller in rural India and Tier-II cities, but Activa has gone into that market because the vehicle offers greater utility."

Activa contributes 45 per cent to Honda's overall two-wheeler sales, and is growing. But Guleria is not resting on his laurels. He wants to explore new regions in India where scooters can be sold. "We want to create further sub-segment in scooters to cater to different categories of people."

Activa, though, may well have a bumpy road ahead. Hero MotoCorp, Mahindra&Mahindra, Piaggio, TVS Motor, among others, launched scooters recently. The growing competition and the emerging demand from Tier-II cities, will force automakers to rethink their product strategy. "This kind of a shift will push them to go back to the design board," says Kaushik. ◆

@SunnySen

Higher education is getting expensive.

Plan early with Mutual Funds.

You always dream of a bright future for your child and that's why you start saving for his/her education. But as higher education is getting expensive, your investments in traditional instruments might not live up to your expectations. Therefore, you should plan for your child's higher education today by investing in Mutual Funds. They offer a wide range of schemes that meet your requirements based on your risk appetite, investment horizon and tax planning requirement.

BENEFITS OF INVESTING IN MUTUAL FUNDS

- Diversified portfolio • Tax efficient returns • Professional management
- Low minimum investment amount • Convenience of investing systematically at periodic intervals (SIP)

Contact your financial advisor today and plan for your child's future.

INVESTOR EDUCATION

AN INVESTOR EDUCATION AND AWARENESS INITIATIVE FROM HDFC MUTUAL FUND

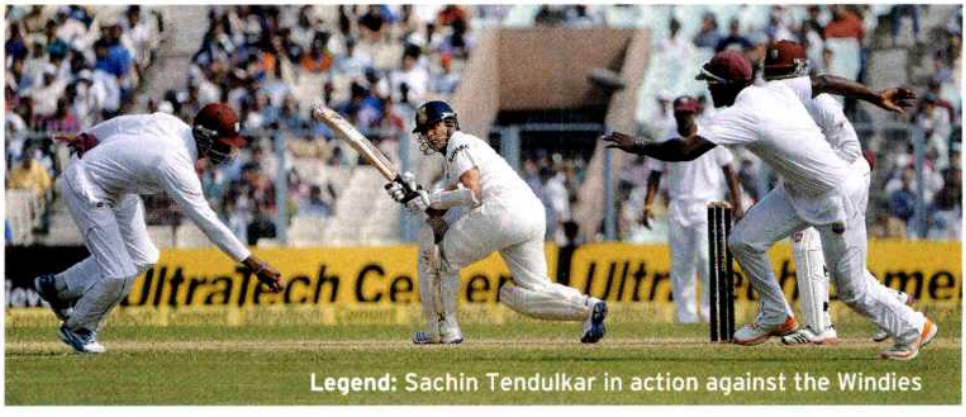
HDFC MUTUAL FUND

To know more, visit www.hdfcfund.com/InvestorEducation

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

On the Ball

Advertisers and the broadcaster made the most of the Little Master's popularity during his farewell series. By SHAMNI PANDE



Legend: Sachin Tendulkar in action against the Windies

SUBIR HALDER

ADVERTISERS BOOKED MULTIPLE SPOTS WITH STAR SPORTS. THIS IS UNUSUAL FOR A CRICKETING EVENT OTHER THAN THE INDIAN PREMIER LEAGUE

Tickets for the Test match between India and West Indies at Wankhede Stadium in Mumbai were sold out within hours. Not surprising, considering this was the last match of batting legend Sachin Tendulkar. KyaZoonga.com, the official ticketing partner of the Mumbai Cricket Association, reported overwhelming demand. "The first hour of sales saw a surge in traffic as a record 19.7 million hits were logged," says Neetu Bhatia, CEO, KyaZoonga.com. Indeed, fans from across the globe – including the US, UK and West Asia – booked tickets for the event.

Little wonder, then, that advertisers and broadcaster Star Sports made the most of the opportunity to cash in on the popularity of Tendulkar during his farewell series, with matches in Kolkata and Mumbai. Consequently, television advertising rates for a 10-second spot doubled to over ₹1 lakh. "The response has been higher than one would expect for an India-West Indies Test match. A lot of brands, especially those endorsed by Sachin, wanted to be associated," says Navin Khemka, Managing Partner, Zenith Optimedia, a media planning and buying agency, adding that this could also be for emotional reasons.

Others support Khemka's assessment. "WeChat has always believed that sports is a great connecting thread for the youth. We believe this momentous occasion could well be one of the most emotionally watched sports broadcasts in the country," says Rahul Razdan, Head of WeChat, a mobile text and voice messaging service. In fact, like many other brands, WeChat has come up with special offerings for the occasion. For instance, it has released special 'Master Blaster' animated stickers on WeChat for Sachin's army of fans. This also shows that the impact of the event is being felt across media platforms. "Surround media is also riding on the hype. Advertisers who cannot get into the main event are looking at news channels/radio to associate with the event," says Khemka.

Several advertisers, over 30, booked multiple spots with Star Sports – Hindustan Unilever led the fray. This is unusual for a cricketing event other than the Indian Premier League (IPL). Despite Sachin's popularity the ad rates are still much lower than the IPL. During IPL-6, for instance, Multi Screen Media (MSM) charged up to ₹4.5 lakh for a 10-second spot. For the final, some advertisers even paid as much as ₹15 lakh.

During the 2011 World Cup, which India won, some advertisers paid up to ₹5 lakh. But things changed after India's debacle against Australia in 2012. Rates have since hovered around ₹50,000 for a 10-second spot.

The audience, or viewership, ratings for Tendulkar's farewell series had not been released at the time of going to press. Typically, IPL matches have garnered viewership of over 4 Television Rating Points (TRPs), the highest among all cricketing events. ◆

@ShamniPande

muthootfinance.com

126 years of trust
Muthoot Group

CONNECTING THE NATION THROUGH CUTTING-EDGE TECHNOLOGY. MUTHOOT FINANCE, *DIGITALLY INCLUSIVE.*

Core Banking Solutions

interlinking our branch network

ENTERPRISE INTELLIGENCE AWARDS FOR IT INNOVATION 2013

- Core Banking Solutions for fast, flexible and convenient transactions across 4,440+ branches
- Human Resource Management System
- Fixed Asset Management System
- Customer Relations Management System
- Connecting to customers via Muthoot Mobile apps and Social Media

Sapney aapke, prarthana hamari.

Muthoot Finance

A Muthoot M George Enterprise I Since 1887

I choose
my
destiny
my subject

India's first university to offer Fully Flexible Credit System

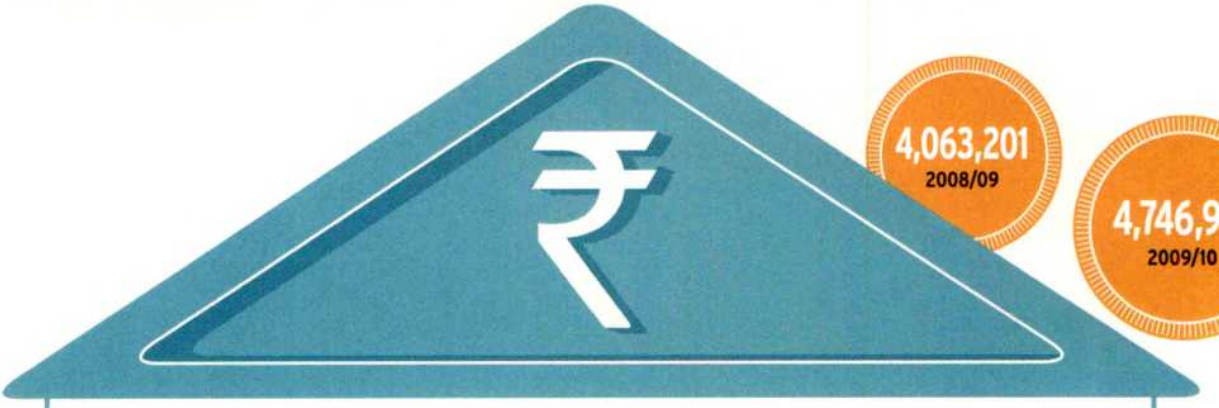
FFCS™

- Opportunity to graduate with a double major
- Choice of major and minor programmes
- Degree with honours
- Choice of subjects for each semester
- Choice of time slots for each course
- Choice of number of subjects per semester
- Balanced curriculum, with subjects in Engineering, Science, Management and Humanities for all-round development
- Option to add / drop / withdraw subjects in each semester
- Opportunity for undergraduate research experience
- Opportunity for project-based learning
- Option to register for courses online
- Option to register for summer-term courses

As part of VIT's constant endeavour to provide the best education, we introduced India's first Fully Flexible Credit System (FFCS)™ four years ago – an innovation that gave the power of choice to students. With FFCS™, students can choose the right combination of subjects according to their interests and academic ability – a major in any of the engineering programmes and a second major in management. Students can also choose a major in one engineering programme and a minor in another engineering programme. By giving students the freedom to be the master of their own destinies, we have successfully helped them excel in their chosen field of study.

my timings > my professor > my degree > my career

VIT®
UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)
VELLORE ■ CHENNAI
www.vit.ac.in

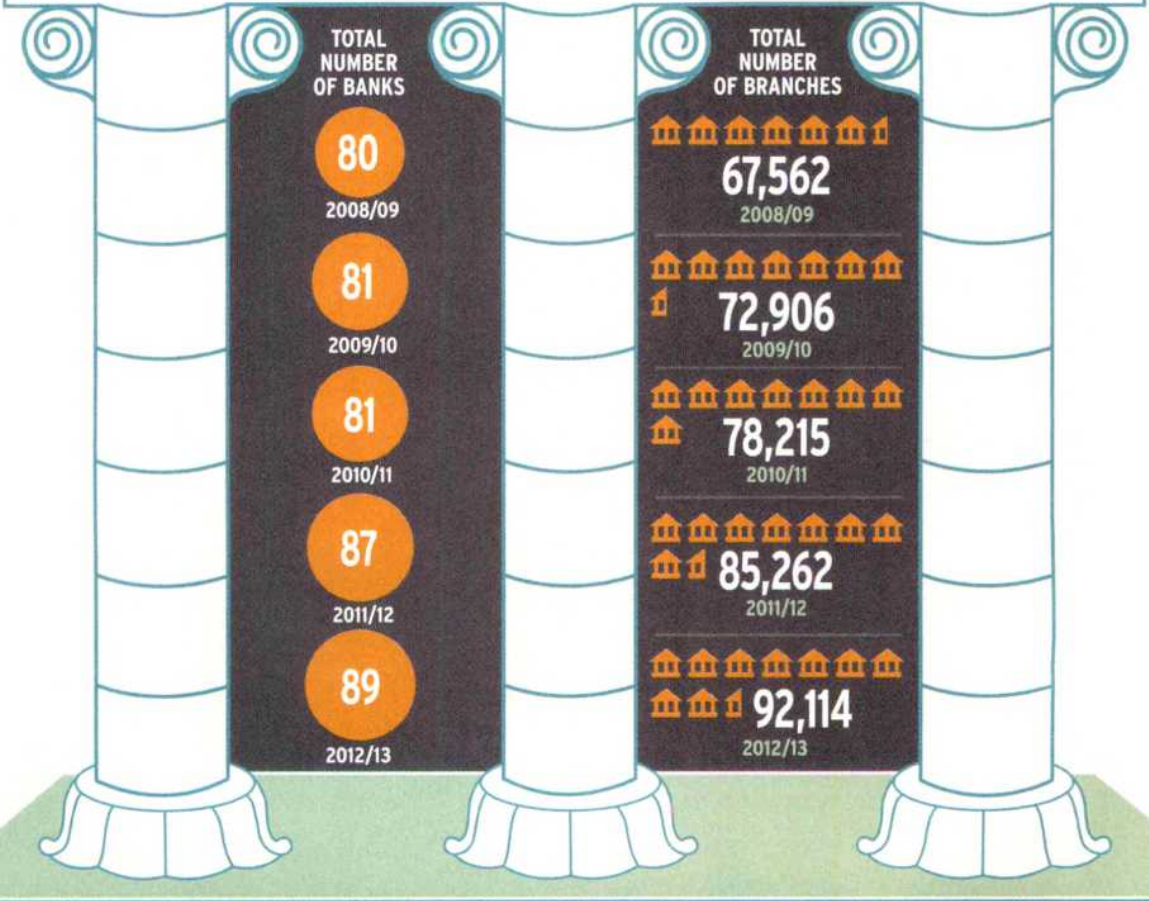


COLOSSUS OF CASH

Snapshots of India's burgeoning banking sector. With the new liberal norms for entry of foreign banks and new banking licences likely to issued soon, the sector is poised to grow even larger.

Research By **Anand Adhikari** • Graphic By **Santosh Kushwaha**

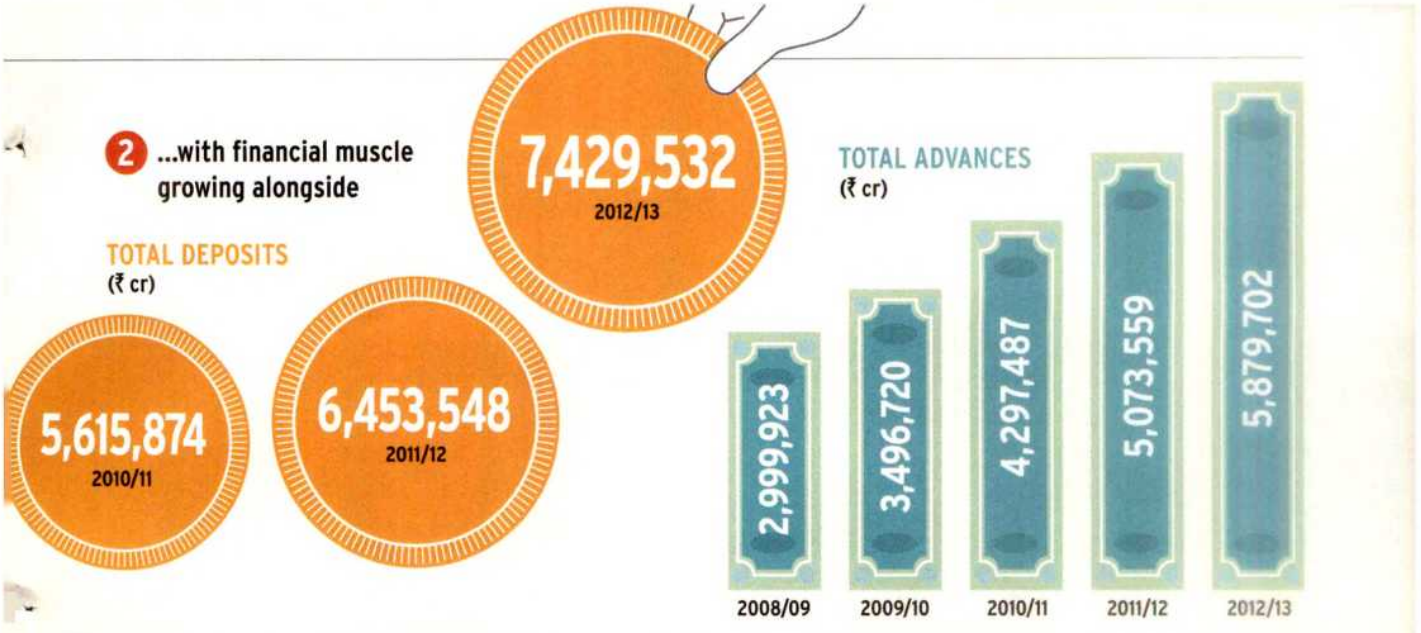
1 **The Indian banking industry's reach has grown over one-third in five years...**

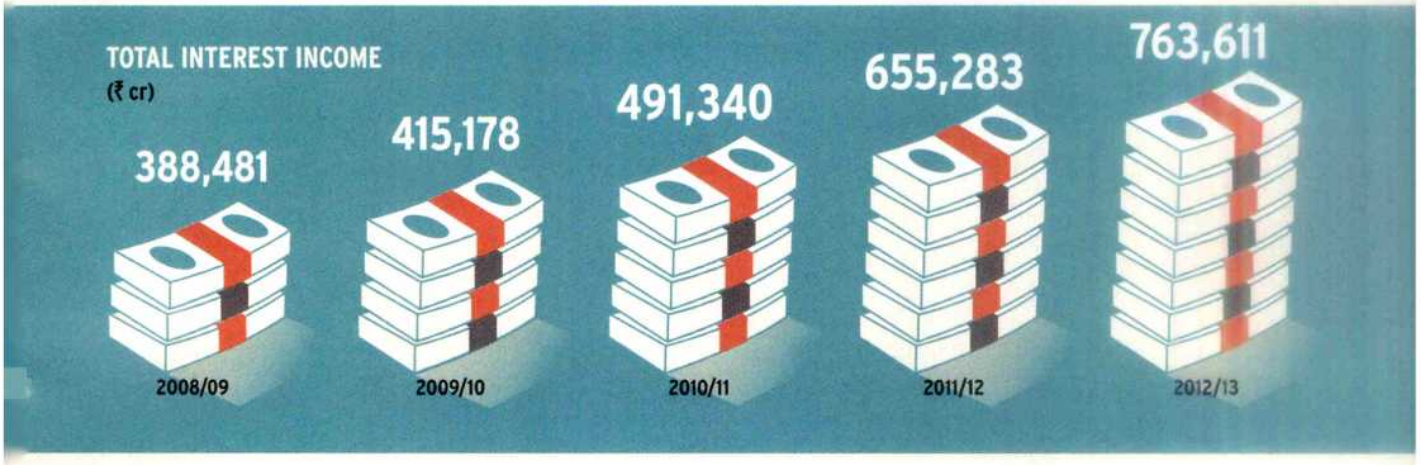


Data for all scheduled commercial banks

Employee numbers expanded 15% in the period to 1.07 million

2 ...with financial muscle growing alongside





3 Bank performance on different parameters, however, has been mixed. Return on equity, for instance, has fallen, while non-performing assets have been increasing

Year	Business per employee (₹ cr)	Net interest margin (%)	Return on Equity (%)	Net NPA* (%)
2008/09	7.39	2.62	15.44	1.05
2009/10	8.63	2.54	14.31	1.12
2010/11	9.90	2.91	14.96	0.97
2011/12	10.99	2.90	14.60	1.28
2012/13	12.13	2.79	13.84	1.68

Capital adequacy, expressed as per cent of risk-weighted assets, fell marginally to 13.88% in 2012/13 from 13.97% in 2008/09

Source : RBI

*As a percentage of advances

The Medium of the Message

Still sending text messages by SMS? That's so yesterday. Messaging apps are all the rage now. There are dozens of them around and all, unlike the SMS, are offered free. A comparison of the features of the five most popular ones. By **NIDHI SINGAL**

BBM is the preferred app for business users out there, with youngsters loving Line and WeChat. But WhatsApp, with 350 million users worldwide, is the most popular

Parameters	BlackBerry Messenger	iMessage	Line	WeChat	WhatsApp
Platforms they can be used on				symbian	symbian
How to start using	Need to register using BlackBerry account	No installation required	Need to register after downloading by providing mobile number, SMS verification	Need to register post downloading providing mobile number, email, and SMS verification	Need to register after downloading with mobile number and SMS verification
Adding Contacts	Cannot transfer phonebook. Need BlackBerry PIN or QR code to add 'friends'	Need Apple ID, can transfer all contacts in phonebook	Can transfer all contacts in phonebook. Can use QR code to add more	Can transfer phonebook contacts	Can transfer phonebook contacts after downloading
Provides 'message read' notification	✓	✓	×	×	×
Stickers available for in-app purchase	×	×	✓	✓	×
Content that can be shared	Text, audio, photo, video	Text, photo, video	Text, audio, video, photo,	Audio, video, photo, text	Audio, video, photo, text
Group chat facility	✓	✓	✓	✓	✓
Free phone calls facility using app	Provided only with the BlackBerry OS 7, OS 10	Not provided	Possible along with video iOS and Android (over data) platforms only	Possible along with video (over data)	×
Distinctive features	Only those in your 'friends' list can text you or ping you	Can deliver iMessages as SMSes as well	Over 5,000 stickers available for purchase	Just shaking the handset will identify people in the neighbourhood who also have WeChat installed	Unknown text sender can be identified by adding number to contacts and checking profile on WhatsApp
RATING (OUT OF 10)*	9	7	8	8	9

*Ratings were decided on the basis of popularity of the apps, as well as how efficiently they work

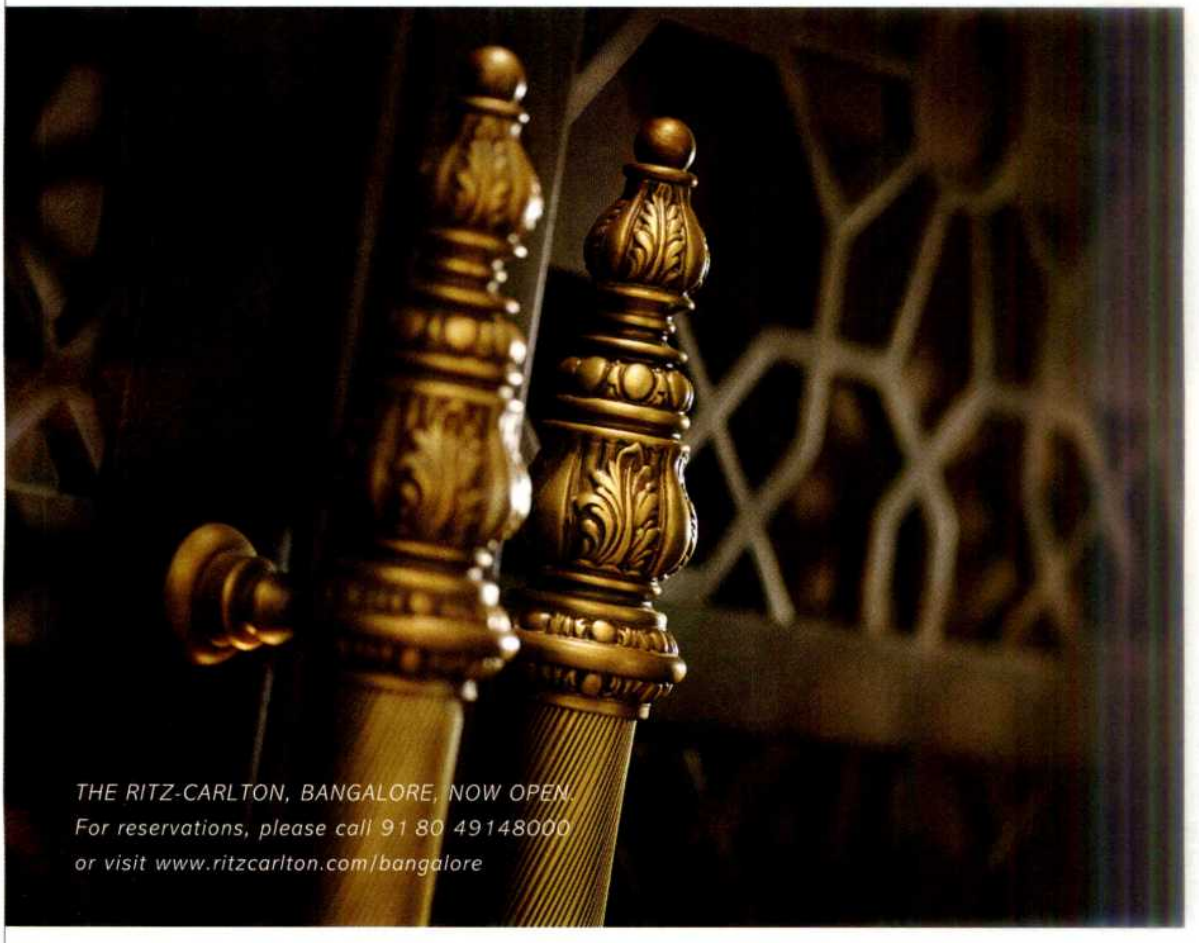
LET
US
STAY
WITH
YOU.℠

Let us give you a welcome that is truly royal.

Let us introduce you to a new level of indulgence.

Let us acquaint you with the finest treats the world has to offer.

Let us leave you with memories that are indelible.



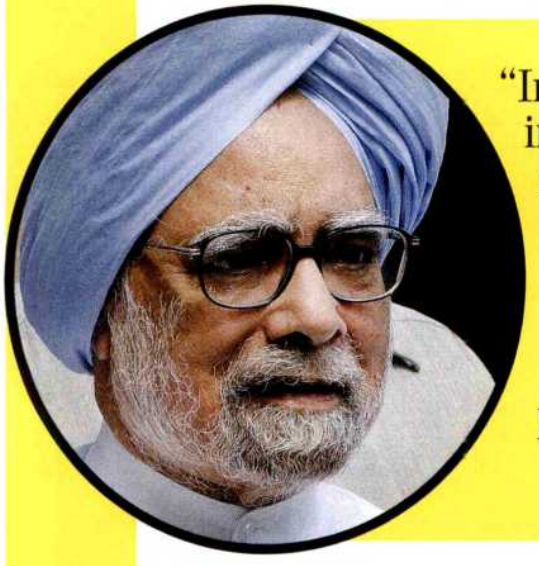
THE RITZ-CARLTON®
BANGALORE

©2013 The Ritz-Carlton Hotel Company, L.L.C.

SAATCHI & SAATCHI-2013R M

"Unfortunately, there are a number of cases where investigating agencies and other authorities like CAG have overstepped their limits..."

P. Chidambaram, *Union Finance Minister, referring to the CBI, to wire agencies*



"Investigating agencies have been increasingly enquiring into matters related to policy making. Policy-making is a complex process... I don't think it would be appropriate for a police agency to sit in judgement over policy formulation"

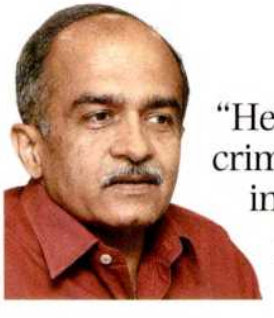
Manmohan Singh, *Prime Minister, at a CBI conference in New Delhi on November 11 2013ww*

"IT IS NOT UNJUSTIFIED (TO SAY) THAT THE CBI IS AN APPENDAGE OF THE GOVERNMENT AND THAT IT WILL NEVER ACT AGAINST THOSE IN POWER. THIS IS WHY THE SUPREME COURT HAS HAD TO INTERVENE TO TAKE OVER MONITORING OF INVESTIGATIONS"

R.K. Raghavan, *former CBI director, in* The Hindu

"What if the policy is flawed, is framed with collateral objective to benefit a few people"

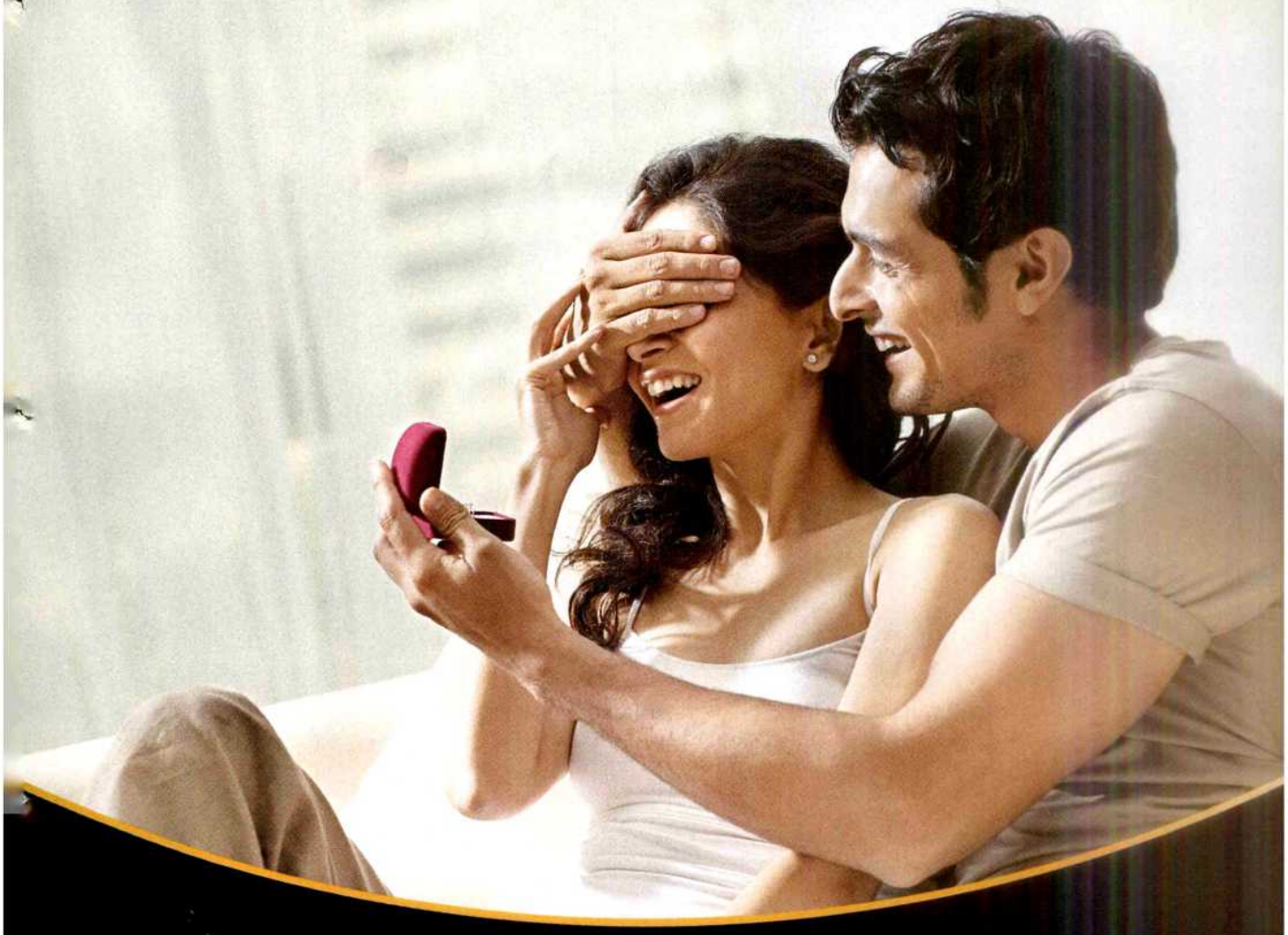
Arun Jaitley, *Senior BJP leader, discussing the attacks on the CBI, to wire agencies*



"He (the PM) means that the provision against criminal conduct should not be there. It was introduced because it is very difficult to prove that someone has given a bribe"

Prashant Bhushan, *Lawyer and Activist, in* The Hindu

GETTING A CASH REWARD FOR SHOPPING ABROAD.
USING IT TO GET A THANK YOU HUG: ***PRICELESS***



USE YOUR MASTERCARD® CARD TO SHOP ABROAD AND YOU COULD WIN A MASTERCARD® PREPAID CARD WORTH ₹ 5000*.

Spending abroad is now a more rewarding experience with MasterCard. Use your MasterCard card to pay for your shopping abroad and stand a chance to win a MasterCard prepaid card worth ₹ 5000. Make your shopping a little more priceless with MasterCard. No card is more accepted around the world.

ACCEPTED AT OVER 35.9 MILLION MERCHANT LOCATIONS AND OVER 2 MILLION ATMS AROUND THE WORLD.

VISIT MASTERCARD.IN/TRAVEL FOR MORE DETAILS ON THE OFFER.

That's MasterCard. That's Priceless. MasterCard

McCann/MCARD/11/13

MasterCard and Maestro are the registered trademarks of MasterCard International Incorporated. Only licensed banks in India can issue the relevant payment cards under the MasterCard family of brands. MasterCard International Incorporated ("MasterCard") is conducting the International Spend campaign (the "Campaign") during the period from October 15, 2013 to December 31, 2013 (the "Campaign Period"). The Campaign is open to eligible holders of MasterCard branded credit or debit cards ("MasterCard Cardholders") issued by participating licensed banks in India. To participate in the Campaign: (a) The MasterCard Cardholder must spend at least the equivalent of INR 5,000 in a single receipt/transaction using his/her MasterCard branded credit or debit card ("MasterCard Card") at merchants located outside the geographical borders of India ("Qualifying Purchase"). For the avoidance of doubt, the value of the Qualifying Purchase must be greater than or equal to the equivalent of INR 5,000; (b) The MasterCard Cardholder must use his/her MasterCard Card to make a Qualifying Purchase at least once during the Campaign Period in order to participate in the Campaign; and (c) The Qualifying Purchases must be for personal consumption only and MasterCard reserves the right to disregard or disqualify Qualifying Purchases which are commercial in nature (collectively the "Eligibility Criteria").. Only the top 1,000 MasterCard Cardholders (who meet the Eligibility Criteria) with the highest cumulative INR value of Qualifying Purchase transactions made during the Campaign Period, amongst all MasterCard Cardholders (who meet the Eligibility Criteria), will be selected as the winners of the Campaign. The products and services offered under the Campaign or purchased in connection with participation in the Campaign are provided solely by the relevant merchants/vendors, under such terms and conditions as determined by such merchants/vendors, and MasterCard accepts no liability whatsoever in connection with such products and services. For the full terms and conditions of the Campaign and

INDIA'S No.1 PRIVATE ENGINEERING UNIVERSITY

Here, top companies will compete to choose you. So, you'll get to choose the best among them.

Information Centre: Ph: 44 - 2745 5510, 4743 7500.

The Director (Admissions), SRM University, SRM Nagar, Kattankulathur - 603 203, Kancheepuram District, Tamil Nadu. Ph: 44 - 2741 7400. Delhi NCR Campus: Delhi Meerut Road, Modi Nagar, Ghaziabad, Uttar Pradesh - 201 204. Ph: 1232 - 234 300 / 301 to 306. Ramapuram Campus: Bharathi Salai, Ramapuram, Chennai - 600 089. Ph: 44 - 3060 3042. Head Office: No. 1, 100 Feet Road, Vadapalani, Chennai - 600 026. Ph: 44 - 4396 9999.

Over 175 top companies, including TCS, Accenture, Google, IBM, Oracle, Microsoft, Wipro, SAP, Bosch, Nissan, Caterpillar, L&T, ITC, John Deere, Godrej, Reliance, Ernst & Young, Bank of America, ICICI and HDFC offered SRMites huge salaries of up to ₹30 lakhs during campus placements. Moreover, we have an excellent track record for placing hundreds of SRMites as paid interns for projects.

So, come be an SRMite. And fly.

ENGINEERING | MEDICINE & HEALTH SCIENCES |
MANAGEMENT | SCIENCE AND HUMANITIES

For details, visit www.srmuniv.ac.in

Campus: Chennai | Trichy | Delhi

SRM UNIVERSITY

(Under section 3 of UGC Act 1956)

Manna *from* Mars

ISRO's first mission to the red planet provides a fillip to its local component suppliers. E. KUMAR SHARMA

Off to the red planet: The Mars spacecraft takes off on Nov. 5

The Indian Space Research Organisation (ISRO) wasn't the only one rejoicing after launching its first rocket toward Mars on November 5. Dozens of ISRO's local component suppliers also were cheering the successful start to the interplanetary mission. From Mumbai-based Godrej & Boyce to little-known Trichur firm Vajra Rubber Products, many companies are hoping the mission will not only boost their aerospace businesses but also provide a fillip to related businesses in the engineering, nuclear and defence sectors. "Many of our learnings from our technological involvement with these sort of projects get into our consumer products sooner or later," says Godrej group Chairman Adi Godrej.

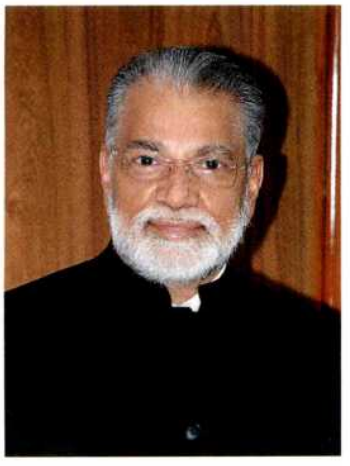
Godrej & Boyce fabricated a high-gain antenna reflector mold, among other components, for the Mars mission. The antenna will help the spacecraft transmit radio signals to Earth. S.M. Vaidya, Executive Vice President and head of the aerospace division at Godrej & Boyce, says the experience of working with ISRO has helped the company in other markets as well. The company earlier this year got an or-

Hospitality isn't just a service. It's our philosophy.

Experience how Swiss quality and hospitality can turn your journey into something special. For bookings and inquiries about daily nonstop flights from Mumbai and Delhi to Zurich call 1-800-209-7240/(022) 6713 7200, contact your travel agent, or visit swiss.com

STAR ALLIANCE MEMBER

Our sign is a promise. SWISS



"More than 400 Indian companies work with us at the component, material and fabrication levels. We want a higher level of integration with them"

K. RADHAKRISHNAN
CHAIRMAN, ISRO

der, estimated at ₹250 crore, for the Thirty Meter Telescope, the world's largest, being built in the US.

Another company involved with both ISRO's Mars mission and the telescope project is Avasarala Technologies. The Bangalore-based firm supplied heat transfer pipes for the Mars orbiter and some ground equipment, says CEO and Managing Director T.T. Mani. He says that, because the company has worked in these areas, it has improved its quality and systems. This has helped it get export orders in sectors like nuclear power and factory automation. "In the past three years the share of exports in our total revenue has risen to 35 per cent from five per cent," he says.

Space Odyssey

The Mars mission aims to explore the planet's surface, look for methane gas, and develop technologies that will help in interplanetary travel. ISRO pegs the mission's cost at ₹450 crore, far lower than similar projects by the US and Europe. While the use of established technologies such as the Polar Satellite Launch Vehicle (PSLV), which carried the Mars obiter, helped ISRO control expenditure, the involvement of a large number of Indian companies – about 170 – is also an important reason for the mission's lower costs. These companies include the state-run aerospace giant Hindustan Aeronautics Ltd (HAL) on one hand and a small rubber products company such as Vajra Rubber on the other. HAL delivered riveted structural assemblies and welded propellant tanks for the PSLV. It also supplied the bare satellite structure and deck panel to ISRO. Vajra supplied flex seal, a component which helps in direction control for rockets.

Bangalore-based Centum Electronics, MTAR Technologies of Hyderabad and Pune's Walchandnagar Industries are also among the companies involved in the Mars mission. MTAR, a precision engineering firm, supplies the Vikas engine for the PSLV in a consortium with Godrej & Boyce. Centum provided various communication subsystems for the Mars spacecraft. In its 2012/13 annual report, Centum says it will continue to co-develop products with ISRO and the Defence Research and Development Organisation to grow its strategic electronics business. Walchandnagar, a ₹1,000 crore company, mainly supplies components for satellite launch vehicles. G.K. Pillai, Managing Director and CEO, says working with ISRO has helped Walchandnagar enter related businesses. "In the past five to seven years we have been able to get involved in the Indian defence sector, including for rocket launchers used by submarines," he says.

Space projects also raise the global profile of the suppliers and help them bag export orders. Take, for instance, Coimbatore-based Lakshmi Technology and Engineering Industries. Revenue at the maker of precision engineering parts for the aerospace and defence sectors has jumped to ₹15 crore from ₹5.5 crore three years ago, thanks mainly to growing exports.

So, where do suppliers go from here? What will be their role in India's future space missions?

Kiran Karnik, a former president of the software industry body Nasscom and who worked at ISRO for two decades, feels high-precision areas like space have multiple business spin-offs. Direct-to-home broadcasting, for example, will require high-precision ground antennas as we go up the frequency band. ISRO Chairman K. Radhakrishnan wants the suppliers to move up the value chain. "More than 400 Indian companies work with us at the component, material and fabrication levels," he says. "We want a higher level of integration with them to make PSLVs and satellites." ◆

@EKumarSharma

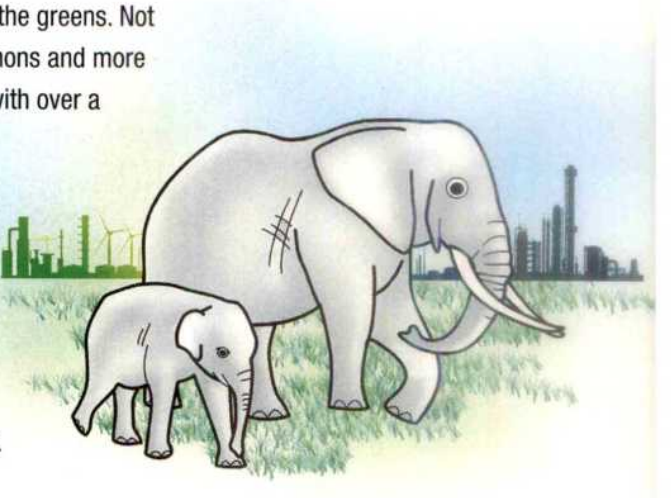
How industry benefits from the Mars mission

- A greater role in the space programme
- Potential for export orders in related areas like nuclear
- Application of new technologies in related businesses
- Raises global profile of the participating Indian companies
- Better visibility for small companies involved with the project

You've heard of jumbo refineries. Ever heard of jumbos in a refinery?

At our Digboi Refinery, nature and industry blend in perfect harmony.

Digboi. The cradle of India's oil industry. Where the world's oldest and the pearl among IndianOil's 10 refineries celebrated its centenary at the turn of the millennium. And where it's not uncommon to find wild elephants crossing the road, or even visiting the fringes of your home at night to munch on the greens. Not just elephants, other wild animals like deer, civet cats, leopards, pythons and more reside in its leafy environs. Digboi is also an ornithologist's delight, with over a hundred species of birds.



Not just Digboi, at other IndianOil refineries too, well-developed ecological parks attract a wide variety of fauna from far and near. Including Siberian cranes. Yet another testimony to the world-class environmental standards that our refineries conform to. Today, IndianOil is the country's largest refiner, reaching green fuels that meet international standards to every nook and corner of the nation through a well-orchestrated distribution network that is hard to beat. Its products are exported worldwide, whenever surplus.

For over five decades, we have endeavoured to touch and transform the lives of a billion Indians. Even in the remotest parts of India. In every possible way. Through our products and services, that bring energy to their lives and smiles to their faces.

इंडियनऑयल

IndianOil

The Energy Of India

IndianOil. In every part. In every heart.

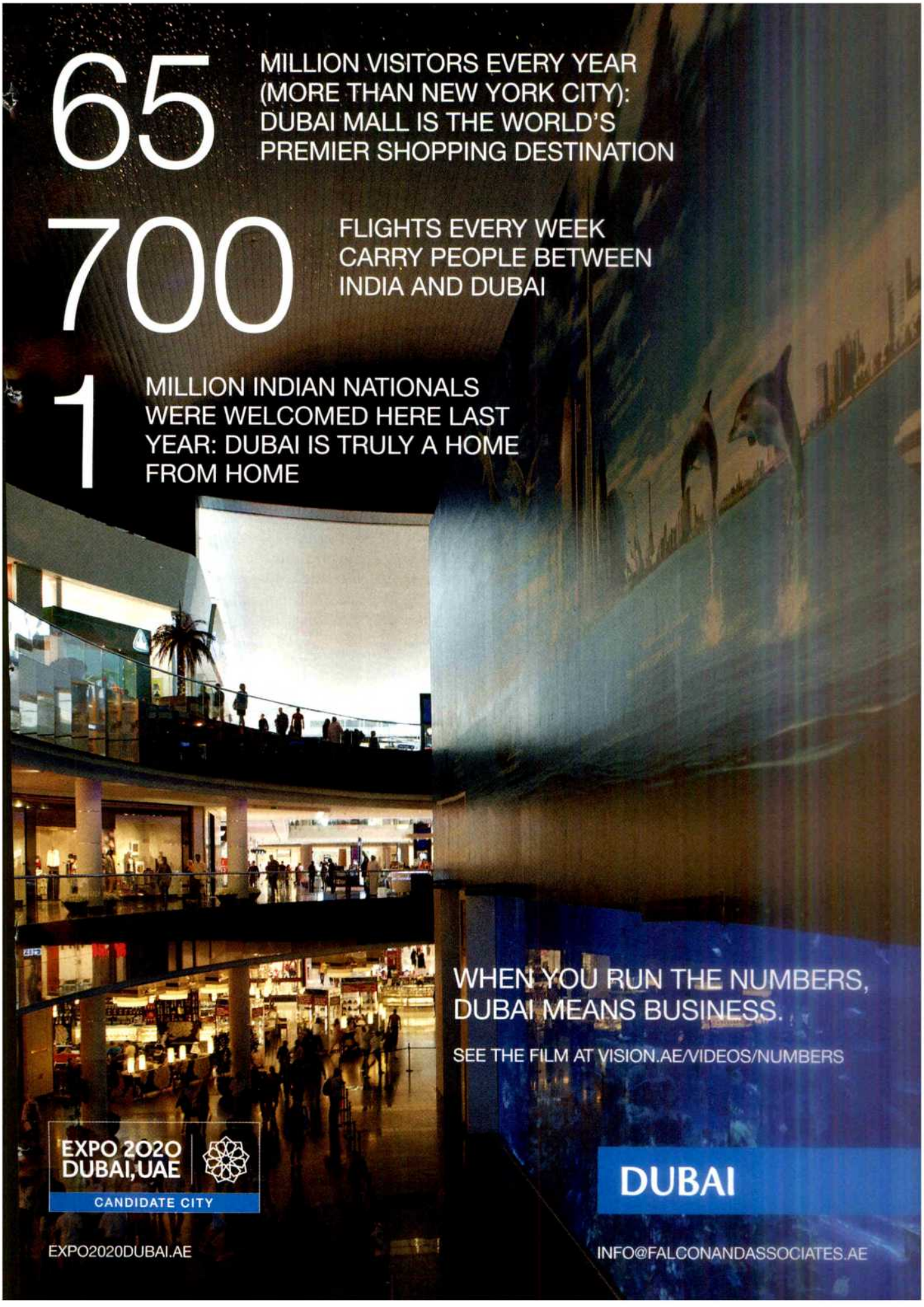
Petroleum Refining and Marketing | Pipeline Transportation | Research & Development | Technology Solutions | Petrochemicals | Gas Sourcing & Marketing | Exploration & Production | Alternative Energy

Unique Flavour

The online restaurant search guide aspires to build a global Internet brand out of India. By TASLIMA KHAN

SANTOSH

One afternoon in July 2008, an idea struck two Gurgaon-based employees of consultancy Bain & Co. Deepinder Goyal and Pankaj Chaddah noticed their colleagues waiting in queues in the office cafeteria to pick up a menu and place an order. What if they could order food sitting at their workstations? The duo scanned the menu and put it up on the office intranet for everyone to see on their desktops. The response was encouraging. Soon, the two Indian Institute of Technology-Delhi alumni left Bain to work full time on an online restaurant search guide. "We thought 'Let's try for a year. If it doesn't work, it should be easy to


65
MILLION VISITORS EVERY YEAR (MORE THAN NEW YORK CITY): DUBAI MALL IS THE WORLD'S PREMIER SHOPPING DESTINATION
700
FLIGHTS EVERY WEEK CARRY PEOPLE BETWEEN INDIA AND DUBAI
1
MILLION INDIAN NATIONALS WERE WELCOMED HERE LAST YEAR: DUBAI IS TRULY A HOME FROM HOME
WHEN YOU RUN THE NUMBERS, DUBAI MEANS BUSINESS.
SEE THE FILM AT VISION.AE/VIDEOS/NUMBERS
EXPO 2020 DUBAI, UAE
CANDIDATE CITY
DUBAI
EXPO2020DUBAI.AE
INFO@FALCONANDASSOCIATES.AE

ADITYA KAPOOR/www.indiatodayimages.com

find a job back'," says Goyal. "But luckily, we didn't have to get back to a job."

The online restaurant guide Goyal and Chaddah started is now known as Zomato. The duo mobilised about ₹40 lakh from friends and relatives in return for equity to start the venture. It began by listing the eateries in Delhi's restaurant hub Hauz Khas. Now, it has a presence in 11 countries and lists 180,000 restaurants. Its website gets 15 million visits a month and it clocks revenue of ₹3 crore a month, compared with ₹1.5 lakh a month when it began five years ago.

"The funniest part of our business is that a large number of restaurant managers haven't heard of the Internet"

Deepinder Goyal, Founder and CEO, Zomato

Zomato's valuation has jumped as well, with some media reports pegging it close to ₹1,000 crore after it received investor funding for the fifth time in three years. On November 6, Info Edge, which runs job portal naukri.com, and venture capital firm Sequoia Capital invested a total of ₹227 crore in Zomato. Info Edge had invested in Zomato at each of the previous four stages, too. It has now pumped in a total of ₹143 crore in Zomato and holds a 50.1 per cent stake. Sanjeev Bikhchandani, Founder and Vice Chairman of Info Edge, says the valuation has risen substantially with each funding round but refuses to give a number. "It has been a function of the value the brand has created for consumers and for listed restaurant owners who expect traffic to increase," he says.

Vishesh Bachan Nanda, General Manager at Delhi-based restaurant Thai High, vouches for Zomato. Nanda used the food guide portal for marketing Thai High, just as he did in his previous stints at restaurants Veda, Kink and Second Sin in the National Capital Region. "We got 11 calls from Zomato on the first day of listing," he says.

How does Zomato work? The company employs about 650 people globally. Of these, 100 work as content collectors who walk the streets and get a laundry list of information on existing and new restaurants. "Collecting information is a highly labourious process," says Goyal, who is also Zomato's CEO. The list includes pictures, scanned menus, and other information such as the credit or debit cards they accept and whether they offer Sunday brunch.

zomato's five rounds of fund-raising

Info Edge invested in Zomato in five stages, with Sequoia Capital joining it in the last round

August 2010	September 2011	September 2012	February 2013	November 2013
$1mn	$3mn	$2.3mn	$10mn	$37mn

Time... can be captured.
All you need to do is choose your
Sheaffer pen.
SHEAFFER
QUARTZ
SHEAFFER
The Gift That Matters
This Sheaffer gift collection pen comes
with a complimentary gold trim table clock.
*Gift sets start from₹1600. Offer available on selected Sheaffer pens while stocks lasts.
WILLIAM PENN
THE WORLD PEN STORE
Shop online at www.williampenn.net or call us free on 1800 102 7366
For Corporate enquiries, call : 91672 10170 / 022 4016 9591

T. NARAYAN/www.indiatodayimages.com

"It [Zomato's valuation] has been a function of the value the brand has created for consumers and listed restaurant owners"

Sanjeev Bikhchandani
Founder and Vice Chairman, Info Edge

The company earns revenue from advertising by listed restaurants. Ad rates vary between ₹5,000 and ₹3 lakh a month, depending upon location, cuisine and other factors. "The funniest part of our business is that a large number of restaurant managers haven't heard of this thing called the Internet," says Goyal. "The sales guys have to educate them."

Zomato isn't the only online food guide in India. There are a number of others such as Burrp, part of media conglomerate Network 18 Group. It faces intense competition in other countries, too. There is HungryGoWhere in Singapore, where Zomato does not want to operate because of stiff competition. In the United Arab Emirates, where Zomato claims to have 65 per cent market share, it has rivals such as Yadig and Timeout. And then there is US-based Yelp, which operates in 31 countries and is the biggest company in the online restaurant-listing segment with a valuation of about $4.4 billion (₹27,700 crore). "We also face indirect competition from sites specialising in online food ordering like Just-Eat and table booking sites like Toptable," says Chaddah, who is Chief Operating Officer at Zomato.

₹36 cr Zomato's expected revenue in 2013/14, up from ₹12 crore last year

So, how is Zomato different from its rivals? Unlike some of its competitors such as Burrp, which expanded from restaurant listing to other segments such as events and retail outlets, Zomato has stuck to its core function. It has also reacted swiftly to technological developments. With more and more consumers using phones to search for food, the company launched a mobile application in 2011. The app has recorded 2.5 million downloads so far. Zomato's only differentiator, says Goyal, is rich content on restaurants and a great product with an easy-to-navigate user interface that makes consumers come back.

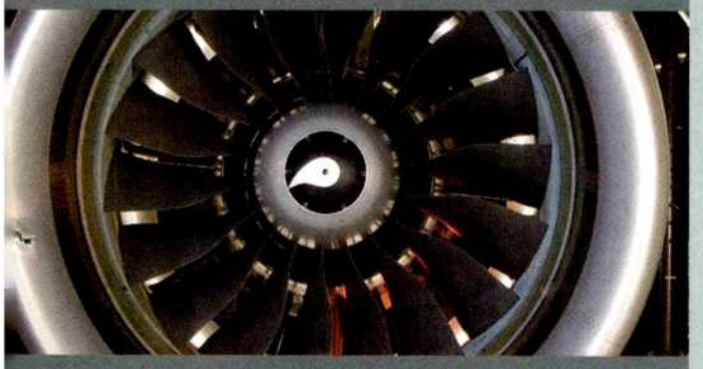
Competition doesn't worry Goyal and Chaddah. Their biggest challenge so far has been hiring good people, especially for senior positions. "We look for a rare breed of people who are more passionate about building something than making money. These should be people for whom even taking a salary cut doesn't matter," says Goyal.

The duo wants to make Zomato a global consumer brand. They plan to use the latest funding round to reach 22 more countries within two years and aim to list the company on stock exchanges in three years time. Revenue is growing rapidly and will likely touch ₹36 crore in 2013/14 from ₹12 crore last year, says Chaddah.

What about the bottom line? The company says it is profitable in India and the UAE but not in other countries. "We are still investing heavily in building our teams in other countries and about 70 per cent of the funds raised are going into salaries," says Chaddah. Retaining investor interest will be key to maintaining growth. If its track record is any indication, it will have little trouble doing that. ◆

@KhanTaslima

Otis



Pratt & Whitney

Sikorsky

JTC Aerospace Systems

TC Climate, Controls & Security

Technologies United.

Innovative elevators and escalators.

Powerful military and commercial jet engines.

Versatile, multi-mission helicopters.

Advanced aviation systems.

Energy-efficient HVAC and refrigeration.

One Powerful Idea.

United Technologies is committed to building a better India – today and tomorrow.

United Technologies

Dreams Meet Reality

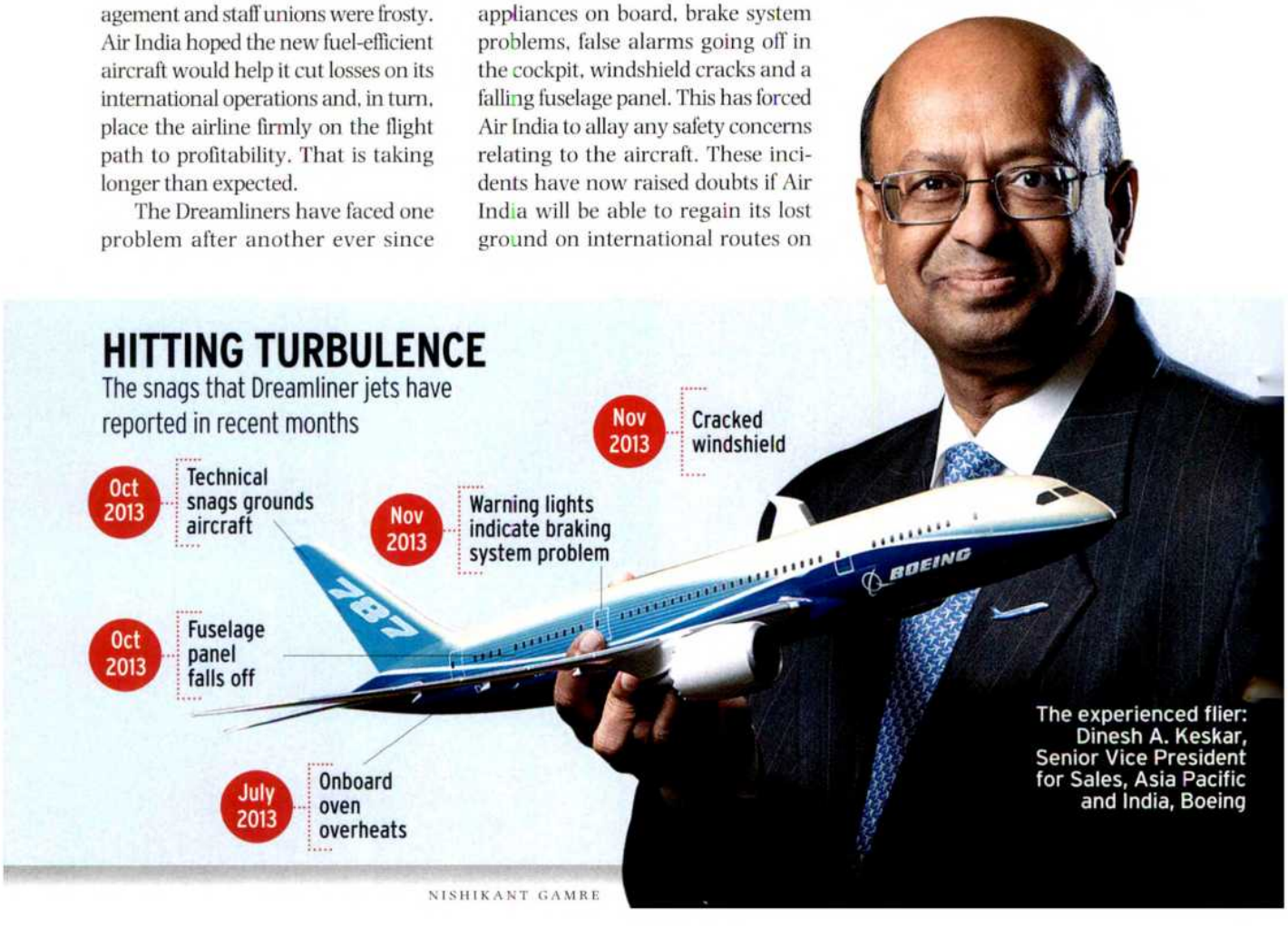
Air India was betting on the Dreamliners to turn around. That looks difficult at the moment with the jets reporting multiple problems.

By MANISHA SINGHAL

When Air India got its first Boeing 787-800 Dreamliner in September 2012, the national carrier was in deep trouble. Just months before, the national auditor had criticised Air India's purchase of 111 planes mainly through debt. Relations between the airline's management and staff unions were frosty. Air India hoped the new fuel-efficient aircraft would help it cut losses on its international operations and, in turn, place the airline firmly on the flight path to profitability. That is taking longer than expected.

The Dreamliners have faced one problem after another ever since their induction into the Air India fleet. In January, the US Federal Aviation Administration ordered the grounding of all Dreamliners worldwide – Boeing is an American company – due to battery problems. The aircraft resumed operations in May. Since then, several aircraft have reported snags such as overheating of appliances on board, brake system problems, false alarms going off in the cockpit, windshield cracks and a falling fuselage panel. This has forced Air India to allay any safety concerns relating to the aircraft. These incidents have now raised doubts if Air India will be able to regain its lost ground on international routes on the back of the Dreamliners.

Air India, however, seems unperturbed. The carrier has launched an aggressive promotional campaign for the Dreamliners. "Do not rush to write an obituary for the Boeing 787 and along with it [that of] Air India," says an airline executive, who does not want to be named. Air India



The experienced flier: Dinesh A. Keskar, Senior Vice President for Sales, Asia Pacific and India, Boeing

NISHIKANT GAMRE

EUREKA FORBES
Your friend for life

Shapoorji Pallonji

PURITY THAT BOOSTS PRODUCTIVITY.

FORBES PRO WATER SOLUTIONS THAT KEEP YOUR EMPLOYEES PROTECTED.

Aquaguard
UV based
Cooler cum Purifier

Aquaguard
600 Dual Faucet UV

Aquaguard
Hot & Cold
(RO+UV)

Aquaguard
Reviva 50 LPH RO

Aquaguard
Skid mounted
RO Plant

Aquaguard
RO based
Cooler with Storage

Aquaguard
UV based
Cooler with Storage

Safe, pure drinking water is a vital step to safeguarding the health of your employees and boosting productivity. At Forbes Pro Water Solutions, a division of Eureka Forbes Ltd., we understand this and deliver a range of high quality water purification systems to meet your organisation's varied requirements. We specialize in delivering world-class, end-to- end water management solutions to institutions and industries. All backed with a strong nation-wide service.

FORBES PRO
WATER SOLUTIONS

THE FORBES PRO ADVANTAGE:

• Over 30 years of experience • Nation-wide sales & service infrastructure • Wide technologically advanced product range

To know more, call us at: North - 09871669817, East - 09830630622, West - 09300055625, Mumbai - 09920634657, Goa & South - 09243442776 / 09632543937, Marketing - 022 308 72578
write to us at watersolutions@eurekaforbes.co.in or visit us at www.eurekaforbes.com

Air India has ordered 27 Dreamliners and has taken delivery of 10 so far. The rest will join the fleet by 2015

Chairman and Managing Director Rohit Nandan also defends the aircraft. "All new planes have initial problems. Once these teething troubles settle, the operations become smooth with time," he says.

Dinesh A. Keskar, Senior Vice President in charge of sales in the Asia Pacific and India, said the US company is working with Air India engineers to resolve the problems reported on the Dreamliners. Boeing has 979 Dreamliners on order worldwide. "Today, we are at 97 per cent dispatch reliability. All other Boeing aircraft have a goal of 99 per cent or higher. Our goal is to get there and we are putting all our resources to get there," says Keskar.

Air India says the Dreamliners will be the main fleet for the airline in the future. The airline is exploring an option of buying a newer version of the Dreamliner – the 787-900 – with a larger capacity. It has ordered a total of 27 Dreamliners and has taken delivery of 10 so far. It will add another six by January and the remaining by 2015.

Air India executives also say the airline will go slow on the number of hours it flies the aircraft so that its engineering team gets enough time for essential software upgrades and all necessary certifications. Air India's Dreamliners fly at least 13 hours a day, while airlines such as ANA of Japan fly the aircraft for nine hours. "These are just procedural issues," says an Air India executive in the engineering department. "There is no safety issue."

For Boeing, Air India is important not just because it is a client. The state-run carrier is important also because it is a testament to Boeing's claim that these aircraft will help airlines make their long-haul routes profitable by cutting fuel costs. An Air India executive, who does not want to be named, says the Dreamliner is generating better cash margins because it is 30 per cent more fuel efficient than the Boeing 777. "That is why we are replacing the 777 one by one as this will cut down our operations cost," he says. "The only international route that is not profitable on the 787 is Australia but that is because it is a new route. Forward bookings are good here as well. We will be switching from the 777 to the 787 on the London route soon."

But not all in the beleaguered airline share the enthusiasm. Some executives question the entire induction process of the Dreamliner. A senior trainer at Air India, who does not want to be identified, says the problems are due to the lack of experience of pilots, lack of preparedness by the airline to induct the aircraft, and wrong decisions taken by Air India while deciding the configuration of the Dreamliner with Boeing.

Another Air India executive points to the incident where a fuselage portion fell off a plane. "The portion of the fuselage falls off because a rivet was not properly screwed or the rivet was not the right one or was not in its proper place or there was no correct equipment to put the rivet," he says. "The aircraft might be new but the attitude with which the person is working on the aircraft is still old."

The challenge for Air India is not only justifying the aircraft purchase and using it efficiently to turn profitable. Changing that old attitude is essential, too. ◆

@manishasinghal

FLYING OVERSEAS

Air India is using the Dreamliners to expand its global network

Luxurious Club House overlooking the vast golf course, with pro-shop and a host of premium facilities.

Give free rein to your golfing passions on the internationally maintained 18 hole golf course.

Rediscover the joy of living closer to the ground. Close to nature and amidst fresh green spaces.

Charming apartments built in a charming Spanish-architecture style on a natural rise bordering the golf course.

DID YOU KNOW LESS THAN 1% OF ALL NEW CONSTRUCTION OFFERS YOU GOLF COURSE LIVING?

BE THAT PRIVILEGED 1.

here are thousands of new homes being constructed all over the country, for you to choose from. But less than 1% of these are omes that will let you live on a golf course. That's because creating a golf course needs a huge piece of land that is constantly aintained by experts. And that's why they will always be in great demand and command a premium. Global investment experts ave recommended golf homes as a strong investment decision, because worldwide golf luxury homes have proven to be mostly cession proof. These experts also predict golf homes will offer higher appreciation in the current market scenario.

diabulls Golf City offers beautiful homes and a lavish life, unending golfing greens, and over 100 acres of landscaped gardens. olfing greens are known to calm you, heal you and keep you extremely positive. They encourage social interaction to build rong neighbourhoods. All of which makes you live the evolved course of life.

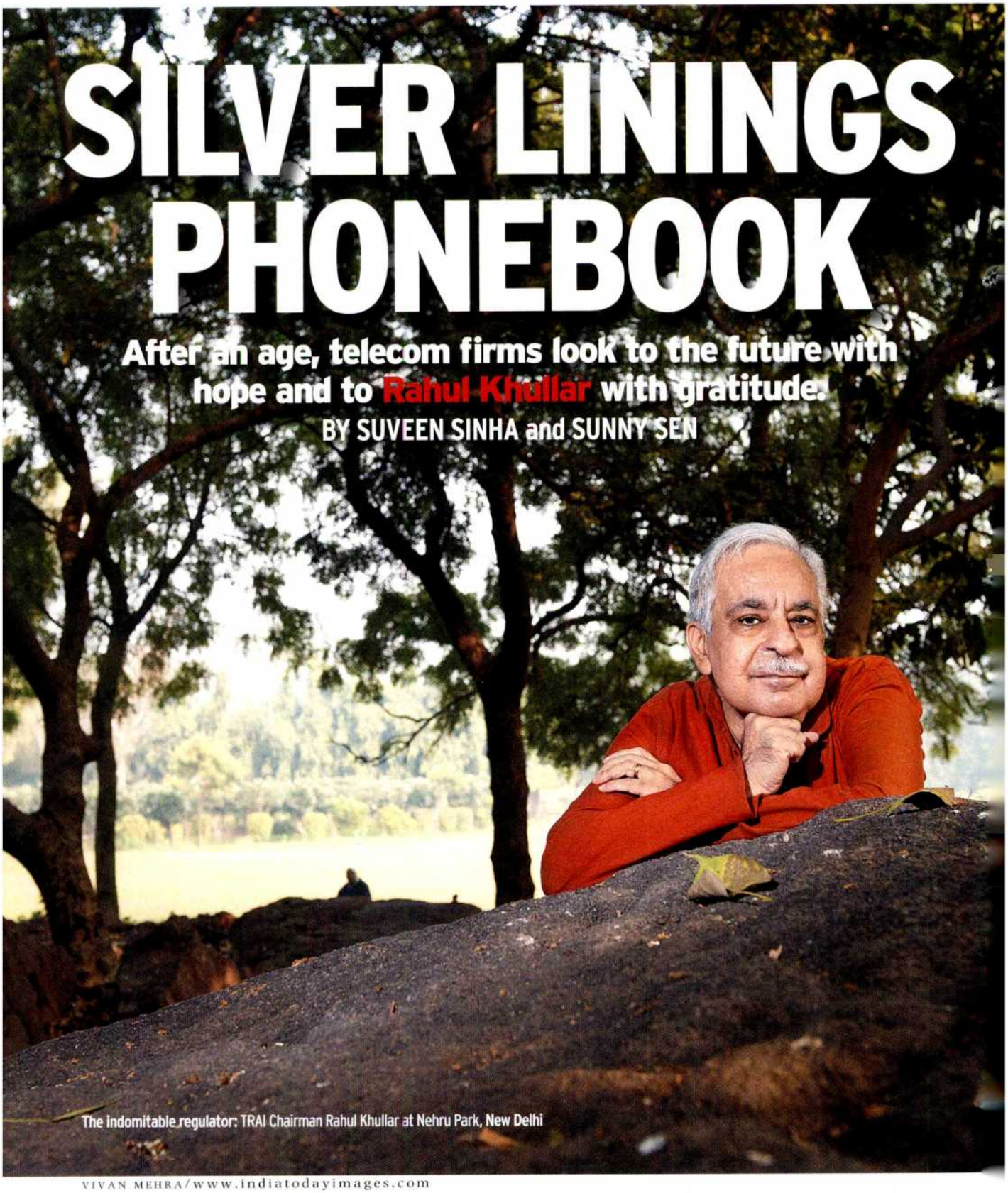
TE SALES OFFICE: Khalapur Toll Plaza, Mumbai Pune Expressway (20 minutes from Navi Mumbai)
LES OFFICES: One Indiabulls Centre, Tower 1 Atrium, Lower Parel, Mumbai - 400 013 • Indiabulls Greens, Kon Salve Road, Opposite Honda Warehouse, n, Panvel - 410 207 • Call: 022 - 673 04911 • Email: golfcity@indiabulls.com • http://realestate.indiabulls.com/

itions apply. The information and material contained in this advertisement are for reference only and the same are subject to change without notice. INDIABULLS makes no representation, guidance or warranty of any kind, express, implied or statutory in this regard.

SILVER LININGS PHONEBOOK

After an age, telecom firms look to the future with hope and to Rahul Khullar with gratitude.

BY SUVEEN SINHA and SUNNY SEN



The indomitable regulator: TRAI Chairman Rahul Khullar at Nehru Park, New Delhi

VIVAN MEHRA/www.indiatodayimages.com

Rules of the game...." That is how Rahul Khullar likes to open many of his meetings. That is how he started one just about the time the rains arrived in Delhi last year. Inside the Telecom Regulatory Authority of India (TRAI)office in the MTNL building, which is a surprisingly expansive premise in the noisy patch between the New Delhi Railway Station and Zakir Hussain College, the top executives of Bharti Airtel, Vodafone, Idea Cellular and other mobile service operators were seated around a table.

"Rules of the game," began Khullar, who had taken charge as the TRAI chairman in May that year after retiring as the commerce secretary, "if you play ball with me, I will play ball with you." The authority was engaged in a maze of prosecution against the top managers of mobile service operators. Khullar thought it was a stupid way of doing things. The right way, in case of a violation, was to impose a penalty, then increase the penalty if the violation continued, and then look at prosecution as the last resort.

The honchos came away with hope, like the characters in the Oscar-winning *Silver Linings Playbook*, who find cheer amid emotional chaos. But Khullar was only doing what he had outlined in his first meeting with the Cellular Operators Association of India (COAI), the industry lobby. TRAI's objective, he had said, was to protect the interests of the service providers and consumers, and to promote orderly growth of the sector.

A veteran industry executive, who attended that meeting, recalls that Khullar had walked in full of purpose. "He said, 'I know you guys have a problem. I do not promise to solve them all, but I will try.'"

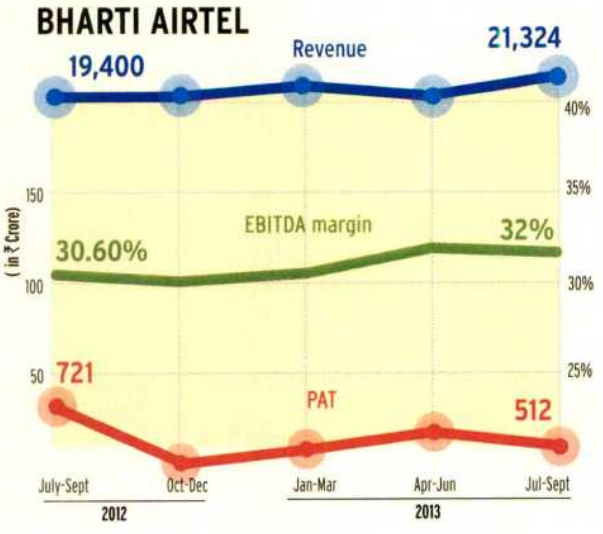
Try he had to, for "orderly growth" cannot occur unless the interests of the industry are protected as much as the consumer's. And Khullar lived up to his promise in standing up to Communications Minister Kapil Sibal.

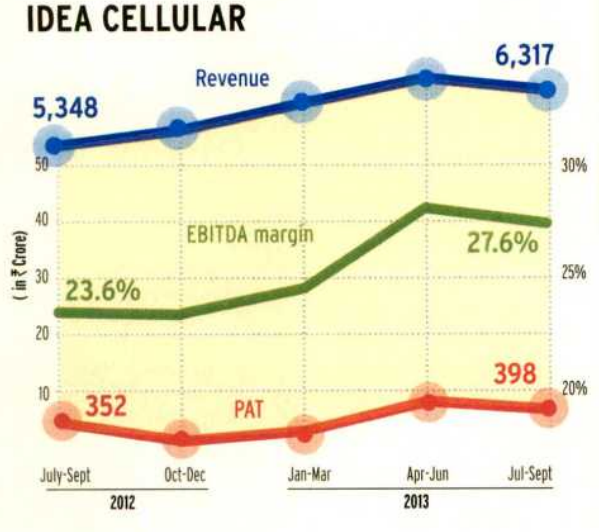
KHULLAR SPEAK

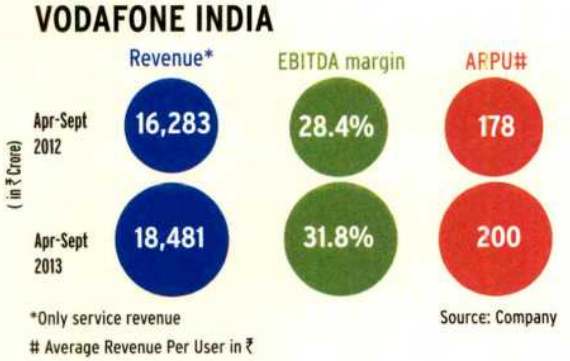
"Most of 2012 was spent in shock. The [telecom] industry was in tatters. Very slowly but surely the government and the regulator have come to deal with the problems at hand"

Slow, but Steady Growth

The financial health of operators has improved







*Only service revenue

Average Revenue Per User in ₹

Source: Company

No such thing as free roaming

Sibal, in his enthusiasm, had gone ahead and announced free incoming calls on national roaming from October this year. Its appeal is infectious. Consumers do not understand why both the caller and the receiver have to pay for a call on roaming when incoming in their own circle became free a dozen years ago.

But it would also have an impact on the service provider. Which Khullar thought of and refused to allow. He said this would amount to the non-roaming population, 88 per cent of users, subsidising the 12 per cent that does roam and is typically better off.

Wasn't that an unusually firm stand against the minister? "The authority always takes a firm stand," says Khullar. "The NTP (National Telecom Policy) never said roaming will be free, only that we will move towards free roaming." He did cut roaming charges, though, but with a caveat. He said the order was being made in good faith. If this was not repaid in good trust, he would review his order a year later.

Roaming charges is an issue to which no one has a solution. The European telecom zone, with 27 countries,

KHULLAR SPEAK

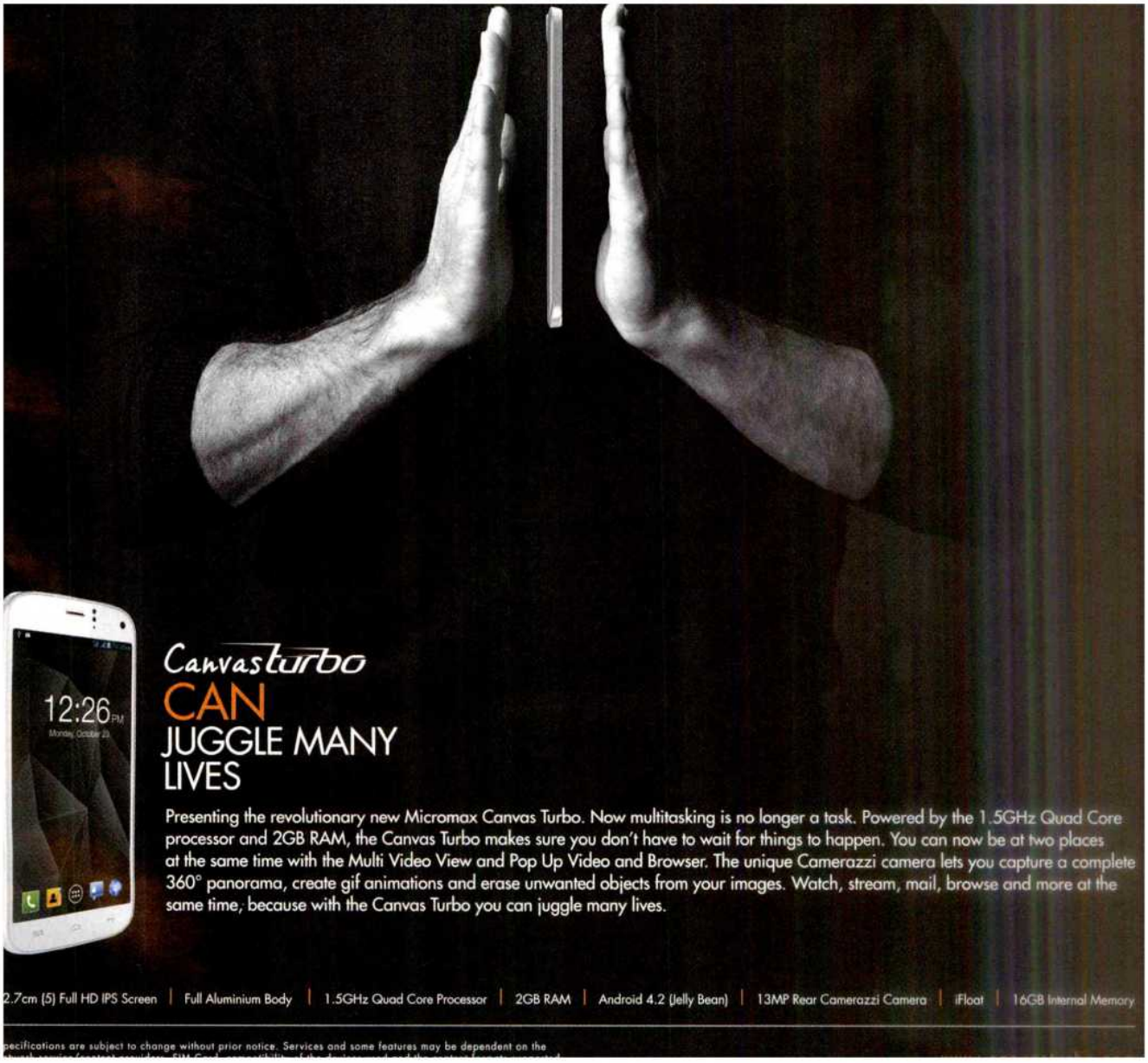
> ***"You come into my room w a problem, you will leave room with absolute clarit Either the problem can be solved or it can't be solved I won't keep you dangling***

compared with 22 circles in India, is grappling with it just as much. "How do you expect to suddenly announce free roaming? When the industry is going through so much trouble, if you impose cost on them, an industry which is in the toilet... it will be like pulling the flush on them," says Khullar.

Sibal has had to swallow it. The thing is, TRAI's decision is final in tariff issues. "We do not need to go to the government. TRAI's decision is the law. Yes, I am answerable to Parliament, as a collective authority," says Khullar.

He has in fact stepped beyond just tariff and into the contentious issue of roaming pacts for third-generation, or 3G, services. The Department of Telecommunications (DoT) frowns on these pacts, which companies like Bharti Airtel, Idea and Vodafone formed so they could offer 3G services throughout the country despite winning only 13, 11 and nine areas in the spectrum auctions of 2010.

The DoT asked them to stop and imposed fines on them, on the ground that the pacts violated the terms of



Canvas Turbo

CAN JUGGLE MANY LIVES

Presenting the revolutionary new Micromax Canvas Turbo. Now multitasking is no longer a task. Powered by the 1.5GHz Quad Core processor and 2GB RAM, the Canvas Turbo makes sure you don't have to wait for things to happen. You can now be at two places at the same time with the Multi Video View and Pop Up Video and Browser. The unique Camerazzi camera lets you capture a complete 360° panorama, create gif animations and erase unwanted objects from your images. Watch, stream, mail, browse and more at the same time, because with the Canvas Turbo you can juggle many lives.

2.7cm (5) Full HD IPS Screen | Full Aluminium Body | 1.5GHz Quad Core Processor | 2GB RAM | Android 4.2 (Jelly Bean) | 13MP Rear Camerazzi Camera | iFloat | 16GB Internal Memory

pecifications are subject to change without prior notice. Services and some features may be dependent on the

the licence. The companies have appealed against the strictures in the Supreme Court and the Telecom Disputes Settlement & Appellate Tribunal.

Speaking at a conference in early August, Khullar wondered how banning intra-circle roaming pacts for 3G could be a solution. The government had to either make more spectrum available or allow the pacts.

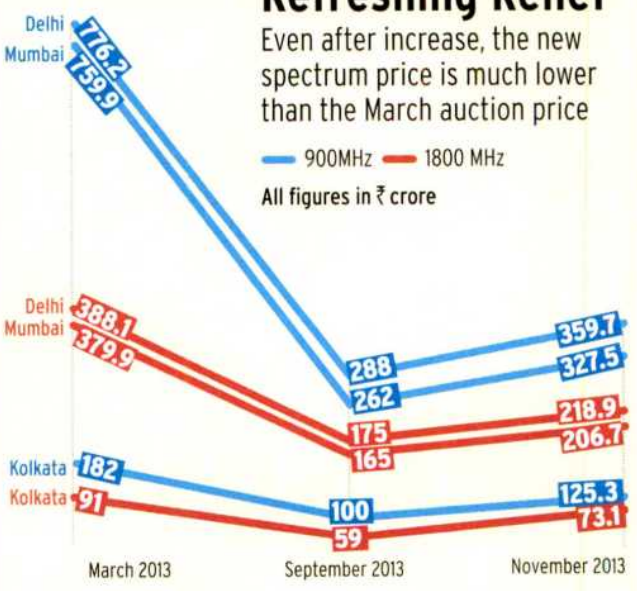
If that was music to the industry's ears, the next month saw a symphony orchestra emanating from the MTNL building as Khullar recommended steep cuts of 37 to 60 per cent in the reserve price of spectrum for the auctions coming up in January. The auctions are for the spectrum freed by the licences for 122 circles that the Supreme Court cancelled in February 2012 and also for frequency due for renewal next year.

"The price cut is an outcome of the valuation and the reserve price. I didn't set out to do a price cut, and nowhere in our document there is a mention of price cut," he says.

What the document does mention, indeed elaborate on, is the method to calculate the value of the spectrum. Khullar did not one, not two, but six valuations based on the latest economic literature and took the average.

Refreshing Relief

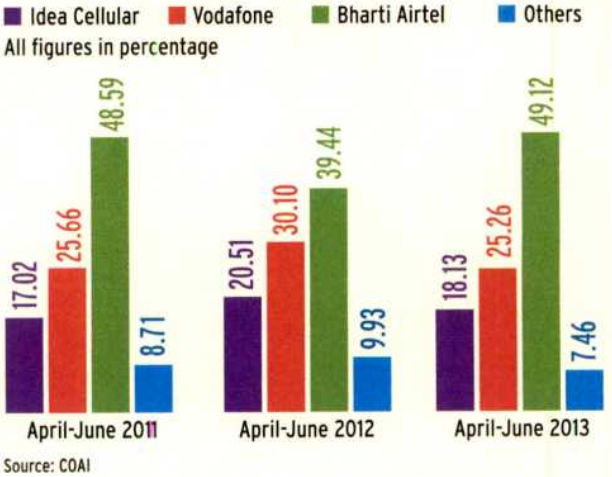
Even after increase, the new spectrum price is much lower than the March auction price



Source: Moody's Credit Outlook

Three-Horse Race

Bharti, Vodafone and Idea together have an overwhelming share of the market revenue



Source: COAI

Different strokes

The feeling had been building up, but, with the September recommendations, TRAI under Khullar looks a very different animal from the time of J.S. Sarma, his predecessor. Sarma's recommendations, made in April 2012, had pegged the spectrum price at 10 times what was paid in 2008. And that was just the reserve price, the starting point for bids in an auction.

Sarma's views achieved the improbable by uniting a highly competitive industry – they spoke as one in protest against TRAI's recommendations. They saw as the final crippling blow Sarma's idea of spectrum re-farming, which he wanted introduced when the oldest licences come up for renewal from 2014 onwards. At that time the efficient 900 MHz spectrum, mostly with the oldest licence holders, would be taken away and redistributed.

At the time Sarma made his recommendations, Sunil Bharti Mittal, who heads the group that bears his middle name, said in public: "This has been the most destructive period of regulatory environment in 16 years." Himanshu Kapania, Managing Director of Idea Cellular, told *Business Today* in May last year: "This is a dark period... We will move from wealth to death knell." Vittorio Colao, Vodafone's worldwide head, Kapania's boss Kumar Mangalam Birla, and Mittal wrote a joint letter to Prime Minister Manmohan Singh saying their industry faced ruin.

Given these sentiments, nobody was surprised when the spectrum auctions that followed – in November of last year and March this year – turned out to be resounding

CANCER DOESN'T DISCRIMINATE BETWEEN PEOPLE. WHY SHOULD TECHNOLOGY?

GE's PET/CT scanners are making world-class cancer diagnostics more accessible in India. By helping doctors with accurate information to stage, they are giving more and more people the hope of recovery.

imagination at work

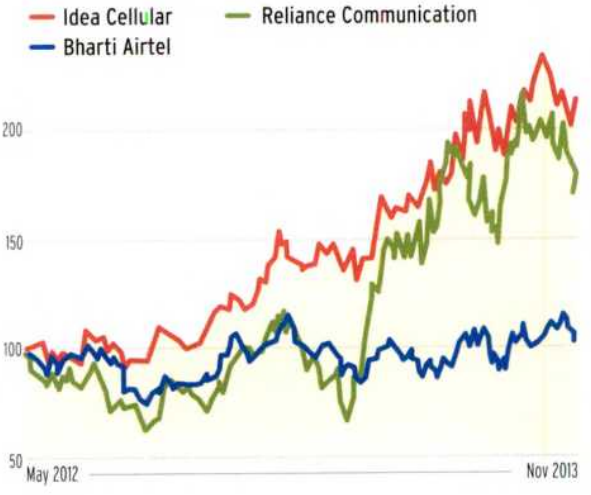
ge.com/in

flops. Some circles found no bidders, some others were sold only partially. Those that did find bidders had to be given away at the reserve price due to a paucity of bids. Only Bihar got more than the reserve price.

By March this year, according to the Reserve Bank of India's figures, the share of stressed assets in banks' loans to telecom companies had increased to 15.64 per cent, from just 1.3 per cent two years earlier.

More Ups Than Downs

Share prices of telecom companies since Rahul Khullar became TRAI Chairman



Something to cheer about

The voices today strike a tenor much different from that of Mittal, Kapania and others last year.

Vodafone India, which has been at the receiving end of more regulatory caprice than others because of an energy-sapping tax battle, has announced plans to raise its holding in its Indian subsidiary to 100 per cent by buying the 15.5 per cent equity held by minority shareholders for $1.65 billion.

Wallowing in thoughts of cash from the parent company's sale of its United States division to Verizon Communications for $130 billion in September, the Indian offspring wants to spend ₹7,000 crore (about $1.1 billion) on upgrading its networks. That will be in addition to its normal annual capital expenditure of ₹4,000 crore to ₹5,000 crore.

"It would have taken a lot of courage to do this two or three years ago," said Vodafone's India head Marten Pieters in response to a question from BT at a press conference in New Delhi. "There is a lot of recognition of things we have been saying for years but earlier nobody listened to us."

Two of the things the company had been saying are that there should be more spectrum, allocated in a transparent way, and a more level-playing field, with less opportunity for arbitrage created by ambiguous regulation.

Rajat Mukarji, who liaises with the government and regulator for Idea Cellular, says: "There is a silver lining in the cloud now, which was not visible earlier."

According to a senior telecom manager who is a veteran of policy battles, Khullar understands the economics of the industry. "His reading of the profit and loss account and balance sheet is certainly better, perhaps because as the commerce secretary he was involved in trade negotiations."

A former DoT secretary echoes this view. "Khullar understands this game more than anyone else – both the hard and the soft factors."

The hard numbers coming out of the industry have begun to complement the softening of the voices.

In the six months to September, Vodafone India's earnings before interest, tax, depreciation and amortisation (EBITDA) margin, a key indicator of profitability in capital-intensive industries, crossed 30 per cent for the

BT RETRO

Things have turned for the better in telecom since *Business Today* looked at the sector in its December 23, 2012 issue

KHULLAR SPEAK

> ***One shift I tried to create is that there should be no shock and knock, no surprises for the industry. They may not find the fine print, but they have a broad idea where they are going***

xperience ultimate driving comfort and much more in the Maruti Suzuki Ritz.

aruti Suzuki Ritz is a joy to drive. It offers all round visibility, high driving position, steering mounted audio control and much more.
rop in at your nearest Maruti Suzuki dealership and experience joy, today.

lving Comfort Features: All Round Visibility - Easy Ingress & Egress - 60:40 Split Rear Seat - Convenient Dash Mounted Gear - 236 liters of Boot Space - Steering Mounted Audio Control - Keyless Entry

'Unique Tall-Boy Aerodynamic' Styling

DDiS ENGINES 23.2 kmpl 1.3 l

VVT ENGINES 18.5 kmpl 1.2 l

www.marutisuzuki.com/ritz/
www.facebook.com/ritzbymaruti
SMS RITZ to 53636

Ritz Joy Inside

d interiors are available with select exterior body colours. Accessories shown may not be a part of the standard equipment. Colours shown may vary from actual body colours due to printing on paper. Maruti Suzuki India Limited reserves the right to change without notice, price, colours, equipments.

KHULLAR SPEAK

> ***Either you come with a better method, and if you can't, stop criticising us. Criticise me for all you want, but based on the methods. And then criticise the methods. But that they can't***

first time to stand at 31.8 per cent, up 3.4 percentage points from April-September 2012.

Bharti Airtel, too, reported a higher EBITDA margin of 32 per cent for the second quarter ended September, compared with 30.6 per cent in the same quarter a year ago. That sent its shares up despite a 15th consecutive decline in profit.

For the same quarter, Idea Cellular, which has been the most consistent performer in the industry, reported an 86 per cent rise in net profit. The company, with its focus solely on mobile telephony and the domestic market, has seen its shares rise more than 65 per cent this year.

All three have been helped by the improving regulatory environment, as also by factors not attributable to TRAI. The government's decision to allow 100 per cent foreign holding is a big thing for Vodafone. All three have benefited from the cleansing done through the cancellation of licences. The number of players in several circles has come down sharply – the most in Bihar, from 13 to eight.

That has given companies the courage to raise tariffs and do away with some discounts. It is not possible to give specific numbers on this, since a major operator would have as many as 550 tariff packages across the country. But in general the big ones have seen their realisations from voice traffic improve by 2.5 to three paise a minute in the last couple of quarters. The industry is pining for another rise of 10 to 12 paise. It need not happen in one shot, a rise of 2.5 to three paise a quarter would do.

That is admittedly small, but nevertheless critical, given that voice constitutes 85 per cent of mobile telephony and tariffs have generally moved only one way the last 18 years: downwards.

"You cannot keep lowering tariffs in a high-inflation country," says Pieters.

Struggles remain, as do the vagaries of the government's functioning. The Telecom Commission, the highest policy-making body for telecom, has taken the middle path on spectrum pricing, suggesting a level 18 per cent above what Khullar recommended and 20 to 25 per cent lower than the DoT's wish. That is a clear reflection of the dilemma India has stared at all these years: whether to maximise government revenue or promote growth of a sector that boosts other areas of the economy as well.

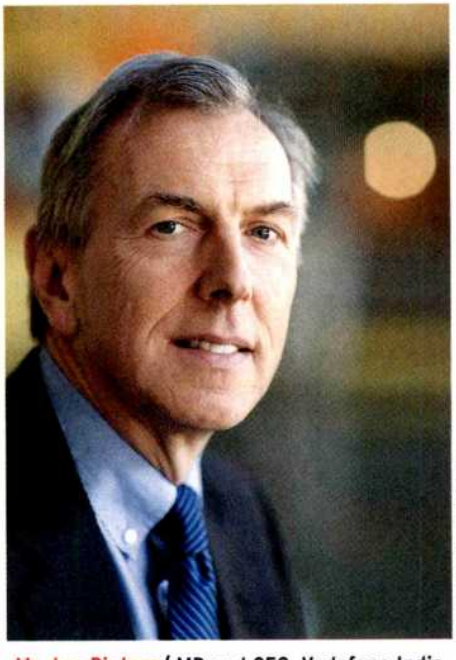
The matter is now with an empowered group of ministers headed by Finance Minister P. Chidambaram.

As if to compensate for its spectrum stand, the Commission came out in favour of mergers and acquisitions that would take the market share of the combined entity to 50 per cent. The cap was 35 per cent previously. The acquirer must pay the market price of spectrum if it was assigned administratively to the acquired company.

According to the industry, that's a step in the right direction but not quite there. However, if Khullar had his way, there could be a big leap.

In sharp contrast to Sarma's re-farming, the new concept Khullar wants to introduce is of spectrum trading. According to him, spectrum should not be treated as the Holy Cow. If everyone is buying spectrum in auctions, why not allow trading in it? On this issue, he has forced the DoT's hand by floating a consultation paper.

That would cheer the spectrum-starved industry and meet the objectives listed in the TRAI Act, a little maroon book Khullar likes to wave when speaking of his role. Those are the rules of his game. ◆



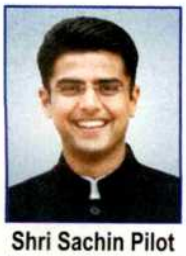
RACHIT GOSWAMI

Marten Pieters/ MD and CEO, Vodafone India

"There is a lot of recognition of things we have been saying for years but earlier nobody listened to us"

@suveensinha and @SunnySen

SHAPING A SUSTAINABLE ECONOMIC FUTURE ON THE FOUNDATION OF ACCOUNTING PRINCIPLES



Shri Sachin Pilot
Hon'ble Minister of State (I/C),
Ministry of Corporate Affairs

Shri Naved Masood
Secretary,
Ministry of Corporate Affairs

CA. Subodh Kumar Agrawal
President,
ICAI

CA. K. Raghu
Vice-President,
ICAI

ICAI - MOST REVERED ACCOUNTING BODY

During 64 years of its existence, the Institute of Chartered Accountants of India (ICAI) has achieved recognition as a premier accounting body for its significant contribution in the field of education, professional development and maintenance of high ethical standards.

As the second largest professional accounting body in the world, ICAI is focused to uphold the values of professional integrity & ethical conduct with a strong commitment to present a true and fair view of financial statements. Currently, the total membership of ICAI is more than 2 lakh & over 11 lakh students are pursuing the Chartered Accountancy course. Today, the ICAI members are providing their valuable services to Judiciary, Government, Industry, Banks, Financial Institutions, Private Enterprises and alike. They are getting global recognition for the value added to the socio-economic sector.

ICAI believes in outperforming itself by endeavoring to undertake path breaking and futuristic initiatives and measures.

INTERNATIONAL CONFERENCE
November 21-23, 2013

Accounting profession has been recognized worldwide as key facilitator in promoting investment, enhancing economic stability, improving management of scarce resources, facilitating public revenues and strengthening enterprises. The Accountancy profession has grown tremendously in terms of capability and capacity. The profession has been meeting the challenges of a high growth economy, the opening up of the country and competition due to globalisation. As a part of the continuous professional education and development of the members, ICAI is organizing an International Conference on "Accountancy Profession: Emerging Frontiers of Future Growth" from November 21-23, 2013 at Science City Auditorium, Kolkata.

The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
www.icai.org

ICAI - Enriching the Nation with Professional Excellence

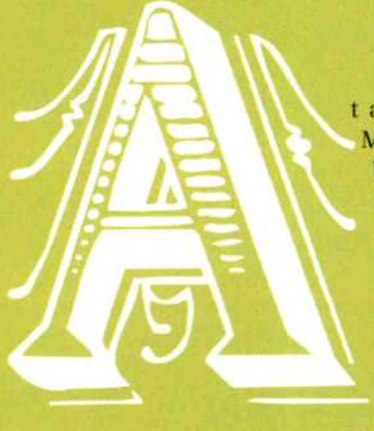
Best Large Bank
HDFC Bank

Best Mid-sized Bank
YES Bank

Best Small Bank
JP Morgan Chase

India's Best Banks 2013

Indian banks face multiple challenges as the economy slows and loan defaults mount. *Business Today*'s annual listing of best banks raises a toast to those who braved the headwinds. **By ANAND ADHIKARI**



At a recent event to open a branch of Kotak Mahindra Bank in Mumbai, the lender's founder Uday Kotak summed up the challenges facing the Indian banking sector in the shortest possible way: "In a bank's balance sheet, liabilities are actually assets and assets are liabilities." He then explained his statement. A bank lists the current and savings account deposits as liabilities on its balance sheet. These low-cost deposits are helping

INSIDE

	Pg
HDFC Bank: The lender is at the top again after five years	66
YES Bank: The best mid-sized bank for a second year in a row	72
Social Media in Banking	76
Foreign Banks	82
Other Winners	86
Women in Banking	98
Infrastructure Financing	92
New Banking Licences	94

ASSET QUALITY
Large
HSBC
Mid-sized
Deutsche Bank
Small
Bank of America
PRODUCTIVITY & EFFICIENCY
Large
IDBI Bank
Mid-sized
Jammu and Kashmir Bank
Small
Bank of Nova Scotia
GROWTH
Large:
Bank of Maharashtra
Mid-sized
Ratnakar Bank
Small
Bank of Tokyo-Mitsubishi UFJ Ltd
SANTOSH

banks maintain a healthy margin in the current worsening economic scenario. On the assets side of the balance sheet are corporate and retail loans that earn interest for banks. But, with many borrowers unable to repay, these assets are turning into liabilities.

Indian banks have a lot of things going against them currently, from a slowing economy and rising loan defaults to allegations of money laundering. A few banks have, however, faced the headwinds strongly. The *Business Today*-KPMG Best Bank 2013 study lists 13 toppers this year (see *The Winners*). After a gap of five years, HDFC Bank has emerged as the best large bank because of good asset quality, high loan growth, a healthy capital adequacy ratio and an improvement in returns on capital employed. YES Bank remains the best mid-sized bank for the second year running. Read detailed articles on the two lenders on page 66 and 72, respectively.

For other banks, challenges are only multiplying. The asset quality of banks has been deteriorating for the past two years as economic growth slipped to its lowest level in a decade while inflation and interest rates remained high. Gross bad loans have spiked to nearly four per cent of total lending from 2.36 per cent three years ago. The Reserve Bank of India estimates gross bad loans to touch 4.4 per cent by the end of the current fiscal year.

More debt would have turned sour had banks not restructured stressed corporate loans. The banking system's restructured assets are at an alarmingly high level of more than six per cent. Punjab National Bank (PNB), Central Bank of India and Allahabad Bank all have outstanding restructured assets at more than 10 per cent. In a recent interview with *Business Today*, RBI Governor Raghuram Rajan emphasised on speeding up the loan recovery process through debt recovery tribunals and asset reconstruction companies. "Our institutions dealing with distress are under-developed. That will make it hard for banks to take risks if they have no hope for recovery. We have to improve them," he said.

The deteriorating asset quality is putting tremendous pressure on banks' capital base. The Basel-III regulations require banks to set aside more capital for absorbing future liquidity shocks or any risk arising in the financial system. According to the RBI, Indian banks are likely to

NISHIKANT GAMRE

Raghuram Rajan
Governor, RBI

"Our institutions dealing with distress are under-developed. That will make it hard for banks to take risks if they have no hope for recovery. We have to improve them"

WORSENING ASSET QUALITY

...is eating into banks' capital and profits

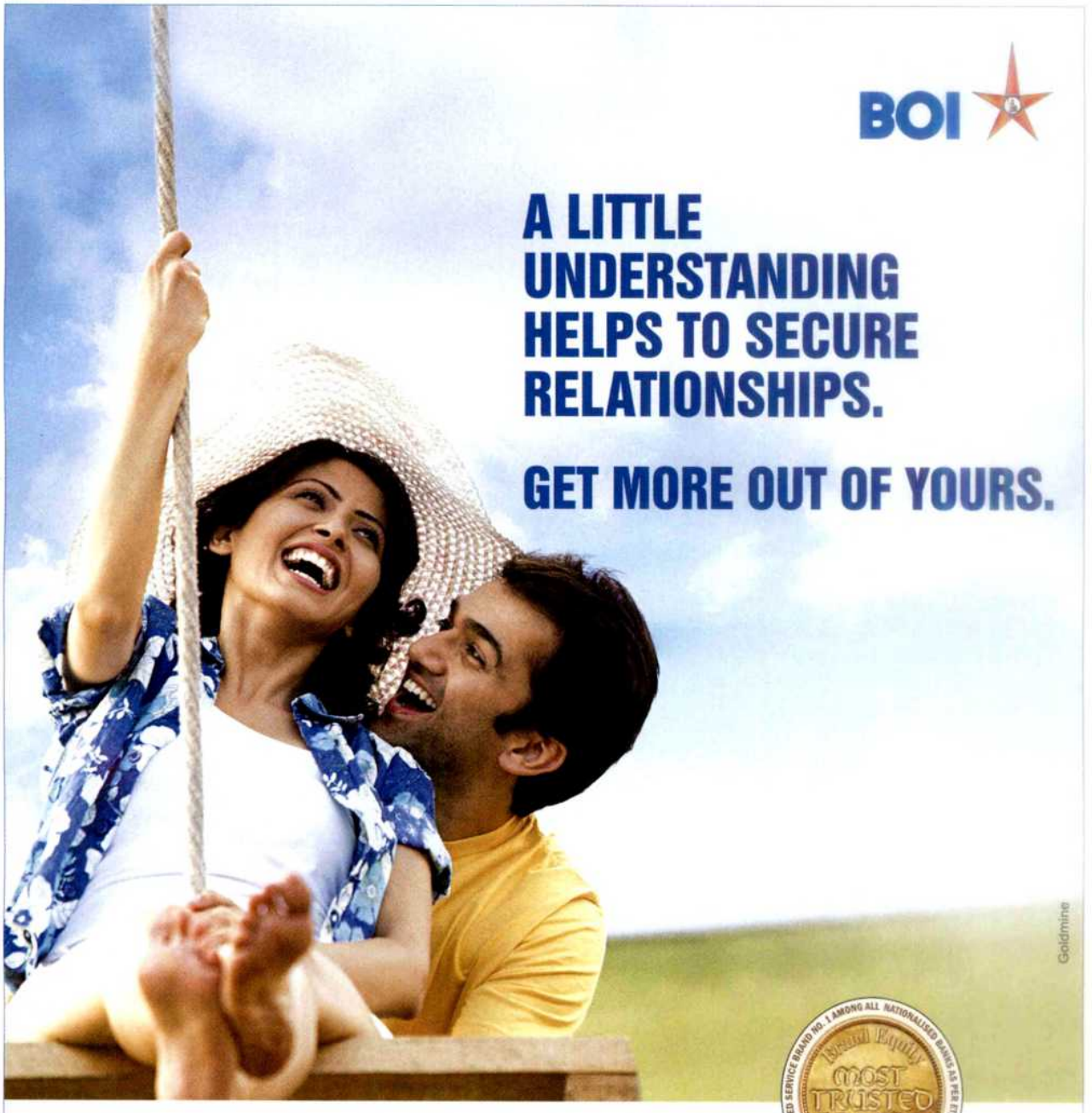
Net NPAs* in per cent

*Net NPAs to net advances as of March 2013
Source: BT-KPMG

HIGH LOAN RESTRUCTURING*

...is putting banks at risk

*The ratio of bad loans recast by banks
Source: BT-KPMG



It is this simple philosophy that has helped us to provide banking services, which focus primarily on the care and concern for our customers and patrons, for 107 years now. Because, at Bank of India, we invest heavily in relationships, above all else. And we believe that it's only when we understand your needs, we will be able to provide you with products and services that help you to get more out of your relationships.

Bank of India

Relationship beyond banking

Retail | Rural | MSME | Corporate | NRI | Cards

Coveted business mix of ₹ 7 lakh crores+ | 65 million+ Customers | 4400+ Branches | 54 Overseas Offices

Toll Free 1800 220 229 | www.bankofindia.com | To know your account balance for free give us a missed call on 022 33598548 from your registered mobile number

raise ₹2.7 trillion of tier-I equity capital in the next five years. (One trillion equals 100,000 crore). The capital adequacy ratio at many state-run banks such as PNB, Bank of India, Andhra Bank and Union Bank of India is closer to the RBI's minimum norm of nine per cent. This leaves them with little room to breathe easy. M.S. Raghavan, Chairman and Managing Director of IDBI Bank, says banks will see formidable challenges to expansion when the Basel-III norms are fully implemented by 2018. "We will have to keep generating incremental capital," he says.

The banking sector is also waking up to the challenges of funding infrastructure projects. (Read a column on infrastructure financing by IDBI's Raghavan on page 92). These projects were earlier the domain of development financial institutions like the Industrial Development Bank of India and Industrial Credit and Investment Corporation of India, the former avatars of IDBI Bank and ICICI Bank respectively. With the government and private sector looking to invest billions of dollars to build roads, power plants and ports, many banks ramped up their exposure to the sector. Loans to these projects are typically for the long term, say 20 years. But most funds that banks raise are shorter in maturity. This results in a mismatch. "Banks do not have the ability or the expertise to assess risk in an infrastructure project," says a former chairman of a development finance institution, who does not want to be named. Shikha Sharma, CEO of Axis Bank, says banks should be allowed to raise long-duration funds by issuing tax-free bonds.

Banks are tightening their regulatory and governance structures, after a news portal exposed their liberal attitude toward know-your-customer norms and anti-money laundering rules. They must also improve efficiency, especially considering that competition in the sector is about to intensify. The RBI will soon issue new banking licences. Foreign banks, which curbed retail lending after the 2008 financial crisis, have cleaned their balance sheets and are again looking to expand in India. (see *Native Prudence Pays* on page 82). The RBI has said that if foreign banks shift to a model where they set up wholly owned subsidiaries instead of the current branch structure, it will treat them on nearly equal terms with local lenders. Rajan had earlier told *Business Today* that the RBI will put enough safeguards into the policy so that there is no chance of having a foreign-dominated banking system. "At the same time, let us not be afraid of foreign banks bringing in more innovation capabilities. The system will benefit," he said.

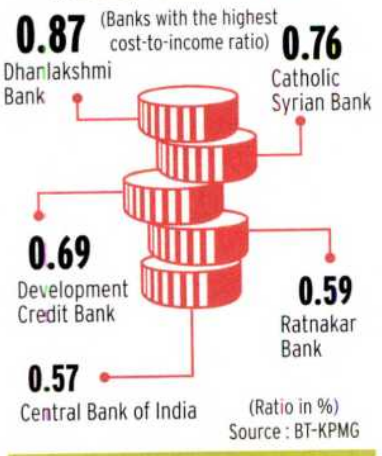
The challenges aside, there have been several welcome developments in the banking sector over the past few years. Private lenders are leveraging social media to engage customers and boost brand visibility (see *Socially Aware* on page 76). In state-run banks, many women have entered the corner office (see *State of Equality* on page 98). Many banks are also looking to offer customised products to those who do not have access to the banking system currently (see *Banking the Unbanked* on page 139).

Still, the road ahead for banks is a bumpy one. As competition intensifies, the existing banks will have to think of innovative strategies to retain customers. Axis Bank's Sharma says it takes time to build a bank from scratch. "Our job in the meantime is to make sure that our bank is strong, profitable, well capitalised and has a right offering," she adds. ◆

@anandadhikari

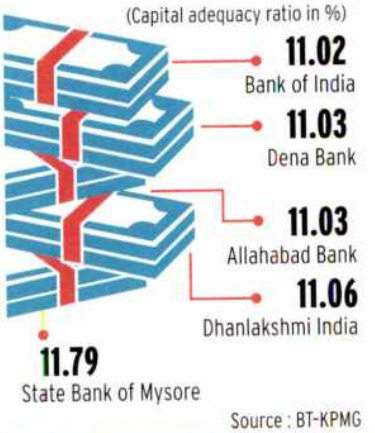
HIGH COST STRUCTURE

...makes banks inefficient



LOW CAPITAL BASE

...makes it tough for banks to meet Basel-III norms



STRICT REGULATIONS

...mean banks face increased scrutiny from the RBI

Fine imposed on banks for violating know-your-customer and anti-money laundering norms (in ₹ cr)

Available at exclusive stores Linen Club "The Ramp" & all leading multi-brand outlets. To locate your nearest exclusive store visit www.linenclub.com/store | linenclub

Cracking the Rural Puzzle

HDFC Bank returns to the top of the heap after a five-year hiatus. By MAHESH NAYAK

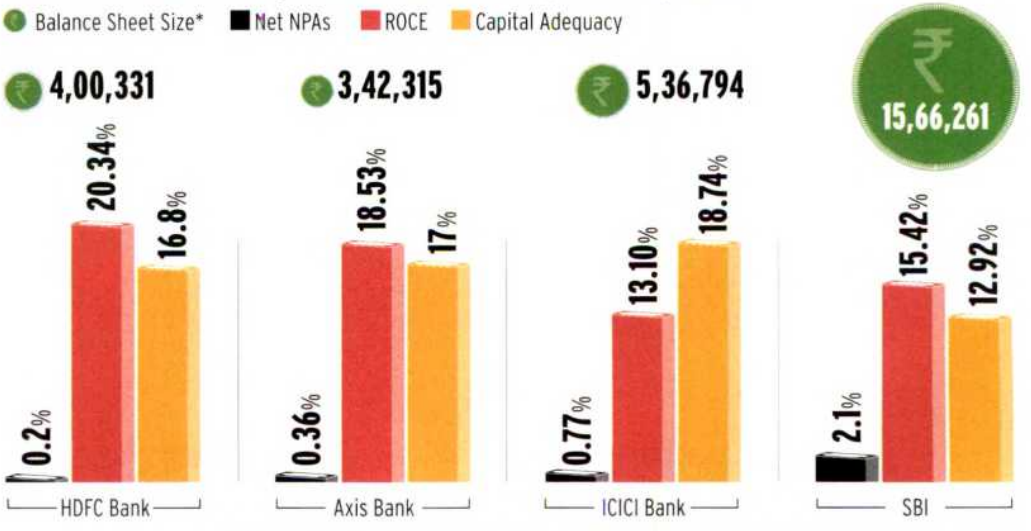
It is noon, and 48-year-old Shankarbhai Rethalia is a bit tired as he reaches the HDFC Bank branch in Bavla, a village in Gujarat some 35 km from Ahmedabad. He takes off his shoes and enters the air-conditioned branch, some 15 km from his home in Kotha Talawadi, where he owns 50 acres of farmland. He visits the Bavla branch once a week, not just to make transactions but also to seek the advice of the executive who handles his loan portfolio, on how he can earn more on his agriculture proceeds.

Rethalia is not the only privileged customer of the branch. This semi-urban branch counts many traders among its customers. The region has 110 rice processing mills, one of the largest such hubs in the country, well located near the Mundra and Kandla ports. In the Bavla area, there are seven state-run banks, including State Bank of India, and cooperative banks.

Rethalia, who switched loyalties from a co-operative bank, is all praise for the private-sector

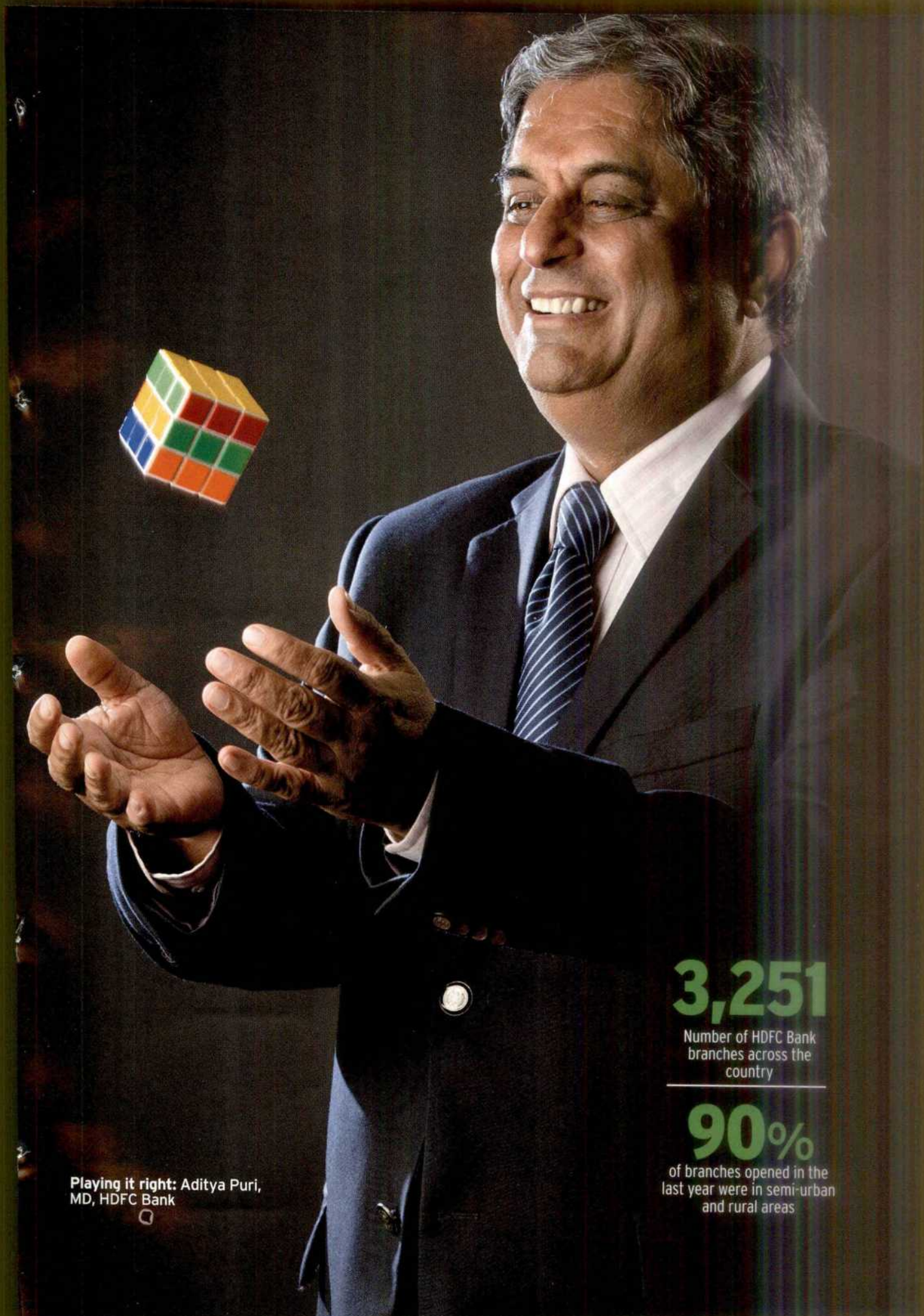
THE TOP FOUR

HDFC Bank leads with high returns and low non-performing assets



*Balance sheet size in ₹ crore. All other figures in per cent. HDFC Bank, Axis Bank, ICICI Bank and SBI are the four largest banks in terms of market capitalisation. ROCE is return on capital employed (Source: *BT*-KPMG)

NISHIKANT GAMRE/www.indiatodayimages.com



Playing it right: Aditya Puri, MD, HDFC Bank

3,251

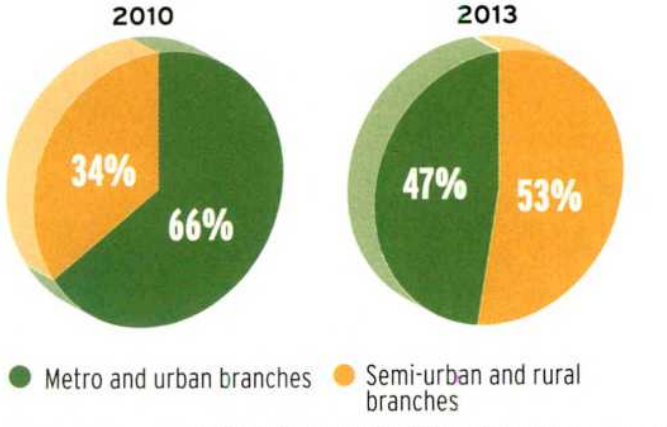
Number of HDFC Bank branches across the country

90%

of branches opened in the last year were in semi-urban and rural areas

SPREADING ITS WINGS

HDFC Bank's presence in semi-urban and rural areas has been growing ...



... but the contribution of small-town branches to the bank's income still lags

Contribution to bank's income **15%**

Source: HDFC Bank

HDFC Bank, which not only gave him a higher limit on loans, but also structured the loan according to his needs. Eight months ago, Rethalia got a loan of ₹18 lakh for crop and working capital at an interest rate of around 11.5 to 12 per cent. His previous banker, Ahmedabad Co-operative Bank, gave him a ₹3-lakh loan at a comparatively lower rate.

Even big traders are switching to HDFC Bank. Gyanshayam Thakkar, a trader who opened Bavla's first supermarket, explains: "Before HDFC Bank, we were dealing with co-operative and state-run banks. The biggest problem with state-run banks was that whenever the manager got transferred, our business would be affected, as the new manager's style of operation was different. We had to start all over again and build a relationship with them." Last year, Thakkar's turnover was ₹40 crore.

Low interest rates alone are no guarantee of customer loyalty – banks must also offer customised products, higher loan limits, faster processing and good customer service. And private-sector banks have the edge.

HDFC Bank's five-year-old Bavla branch is reaping the rewards. It's lending more than mobilising deposits. It has deposits of ₹23.5 crore and assets of ₹45.5 crore. In semi-urban and rural areas, banks typically lend more and get fewer deposits, as compared to urban branches – a big challenge. But it's also where the growth is: today, every private-sector bank is expanding its footprint in semi-urban and rural areas because the metro and urban markets are saturated. Some 53 per cent of HDFC Bank's 3,251 branches are in semi-urban and rural areas, up from 34 per cent three years ago. The bank aims to raise this number to 60 per cent in the next three years. Ninety per cent of the branches it opened in the last year were in these areas.

Paresh Sukthankar, Executive Director, HDFC Bank, says the branch expansion reflects a shift from wholesale to retail business. "What we did in 12 to 13 years in urban areas, we are now replicating in semi-urban and rural areas," he adds.

The move to smaller towns started five years ago, when the bank acquired the mid-sized Centurion Bank of Punjab. Centurion itself had acquired Lord Krishna Bank, which had a good network in southern India, especially Kerala, and the Bank of Punjab, which had a strong presence in North India. "The acquisition gave us dominant franchises in lot of states, and also a product range that was more suited to rural and interior areas," says Managing Director Aditya Puri.

"We were getting a much smaller balance sheet, but we were getting a large branch network, which at that point was close to 40-50 per cent of our branch network," he says. But the Centurion acquisition weakened the bank's asset quality, and productivity and efficiency ratio. This is reflected in the fact that after topping *Business Today*'s best banks list for four years running until 2008, it slipped in the rankings. It has taken five years for it to get back to the top.

"If the country grows, we grow," says Puri. "Our hypothesis was that if the economy is growing, it will have a trickle-down effect to rural areas." Given the limited access to organised finance in rural areas, where a large chunk of the population lives, the opportunity is substantial. But there are challenges. "Unlike urban market, the mindset, operations, products, distribution, sales and even back-office have to be different from the urban region," says Puri.

Sukthankar adds that the bank has started offering products such as loans and credit cards

Business Solutions for Tomorrow's Enterprises...

Empowered by Innovation

Measured by ROI

Our Partners

Gold Partner

Microsoft GOLD CERTIFIED Partner

salesforce

ABeam Consulting

ORACLE Gold Partner

Kentico PARTNER

A Global IT Solutions, Consulting and Service Company

lia Offices:

da | Bangalore | Mumbai | Gurgaon

kata | Chennai | Pune

International Offices:

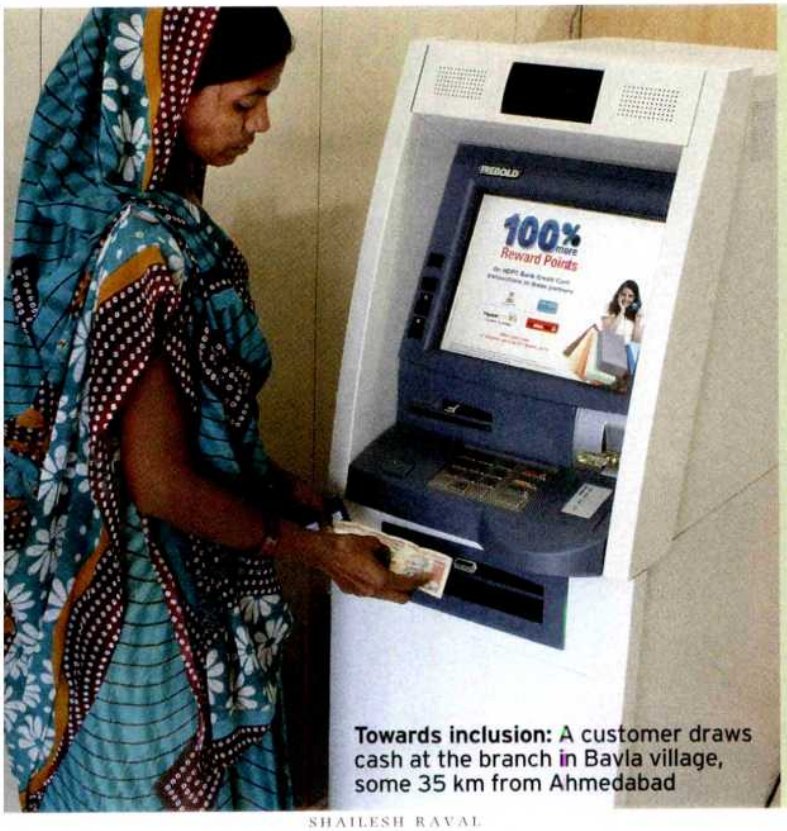
United Kingdom | United States

JKT

25 of excellence

$ 4 Billion Enterprise | 50,000 Professionals | Operations in 80 Countries

www.jktech.com



Towards inclusion: A customer draws cash at the branch in Bavla village, some 35 km from Ahmedabad

SHAILESH RAVAL

CHALLENGES IN SEMI-URBAN AND RURAL INDIA

Some hurdles in raising the semi-urban and rural contribution to the bank's income

- Strong presence of public-sector and cooperative banks
- Self-employed people and traders, but no corporate business
- Cash economy, transactions outside banking channels
- People are conservative, joint family system still strong
- Strong presence of niche NBFCs
- Developing relationships will take years
- Difficult to plot credit history as many customers use non-banking channels to borrow money
- Not a market for high-margin credit cards or large-ticket home and car loans
- Need to offer customised products and flexibility at times of a bad monsoon etc
- Training and development of local employees, especially on the bank's ethics code

to existing and new customers although they are risky. "It's a good way to indulge customers," he says. He emphasises that the bank is not compromising on quality. Today 15 per cent of its income is from rural and semi-urban branches, and the bank believes it can grow to 50 per cent in five years.

Despite concerns about delinquencies in semi-urban and rural areas, experts aren't worried. An analyst from a foreign brokerage said on condition of anonymity: "They are a conservative bank. They don't take rash decisions. They understand a product and market, test it, and then expand."

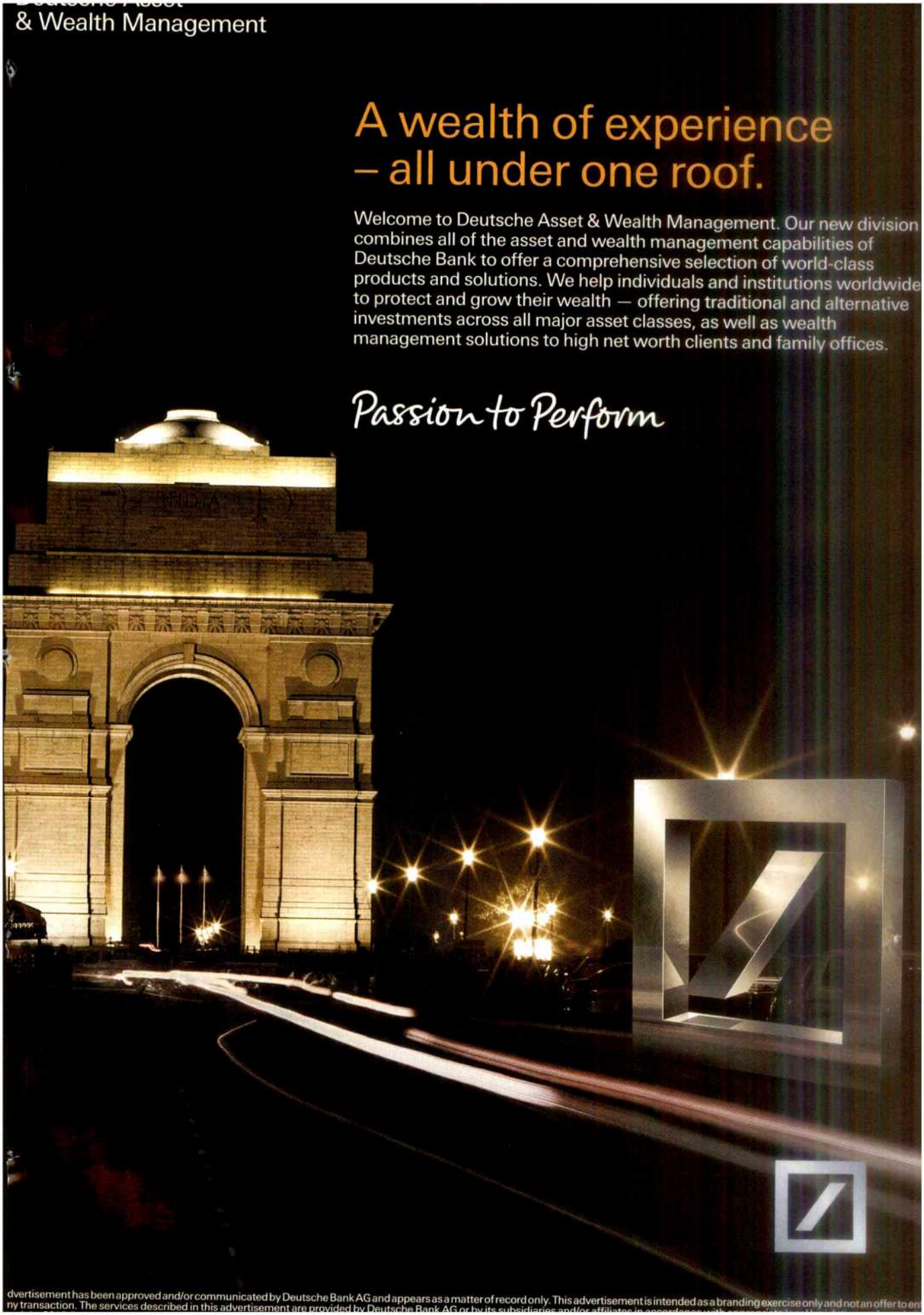
Prateek Agrawal, Chief Investment Officer at ASK Investments, says: "It has the lowest cost of funds, and maintains high levels of spread without taking much risk, which is why they have low non-performing assets. Its asset-liability mismatch is the lowest in the industry." He adds that the bank has a high return on assets. Greater income generation from fee-based products augur well for the bank, he says, and the bank has a higher return on equity.

Experts say newer products such as gold loans and tractor financing will help improve margins but they don't see income from rural business rising from 15 to 50 per cent in five years. Puri, however, appears confident of achieving his target. "These are virgin markets," he says. "Penetration is still low. It's not easy terrain – every market has to be tackled differently. We have learnt the hard way, and have worked hard to achieve some success."

Semi-urban and rural operations are about more than money: there are financial inclusion and other issues. For example, the bank formed a self-help group in Bavla and gave Kanchanben Kolipatel and Bhavanaben Thakor – both local women in their thirties – ₹17,500 each to start their own business. Thakor, who makes nearly ₹400 a day selling cutlery, has helped her husband buy a Mahindra truck, and their children go to school. Kolipatel earns ₹200 a day selling saris, and helped her husband buy an autorickshaw.

Small-town banking offers both potential and challenges, and perhaps the biggest challenge is giving the human touch to service in these markets. So far, HDFC Bank has got it right. ◆

@MaheshNayak


& Wealth Management
A wealth of experience
– all under one roof.
Welcome to Deutsche Asset & Wealth Management. Our new division combines all of the asset and wealth management capabilities of Deutsche Bank to offer a comprehensive selection of world-class products and solutions. We help individuals and institutions worldwide to protect and grow their wealth — offering traditional and alternative investments across all major asset classes, as well as wealth management solutions to high net worth clients and family offices.
Passion to Perform
INDIA
dvertisement has been approved and/or communicated by Deutsche Bank AG and appears as a matter of record only. This advertisement is intended as a branding exercise only and not an offer to en
ny transaction. The services described in this advertisement are provided by Deutsche Bank AG or by its subsidiaries and/or affiliates in accordance

Version 2.0

Rana Kapoor's YES Bank, at the top again in the mid-sized category, is focusing on retail growth.

By SUPROTIP GHOSH

Retail has become a big part of growth at YES Bank, which started out as a corporate bank a decade ago, dealing in advances to companies and wholesale deposits. In March 2010, it had 150 branches, says Managing Director and CEO Rana Kapoor. With the bread-and-butter corporate banking business in place, it was time to focus on retail. In the last three years, the number of branches has grown to about 500, while employee headcount has more than doubled to about 8,000, according to bank figures. By 2015, it aims to have 750 branches, 1,500 ATMs and 9,000 employees.

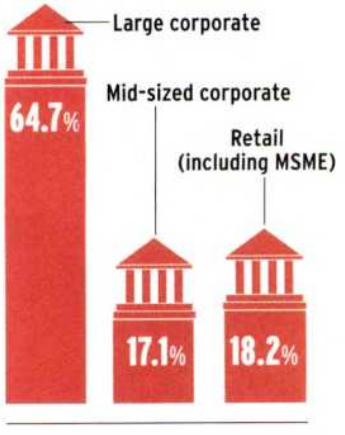
Kapoor says that since 2010, the bank's largest investment has been in retail, both in terms of people as well as products and services. Kapoor calls this YES Bank version 2.0. The mission document targets a balance sheet size of ₹150,000 crore by 2015 (it was close to ₹1 lakh crore in March 2013). Version 2.0 would be built on growth, trust, human capital, technology, and transparency and responsible banking.

A major – and tricky – category of retail banking is home loans, which can stretch up to 20 years. Rather than trying to build its own products with its limited experience, YES Bank roped in Dewan Housing Finance Ltd, which has been in the business for some 30 years.

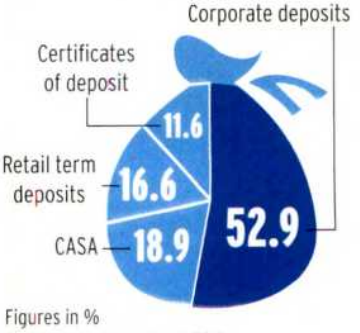
YES Bank tries to differentiate its products and services from the offerings of bigger rivals such as State Bank of India and ICICI Bank. So, for example, it adopted a novel approach to increase the number of accounts. Two years ago, when executives went to companies marketing salary accounts, they faced a peculiar problem. Companies allowed the bank to pitch its product to their employees, but gave no guarantee

RETAIL IS STILL A SMALL PART OF BUSINESS

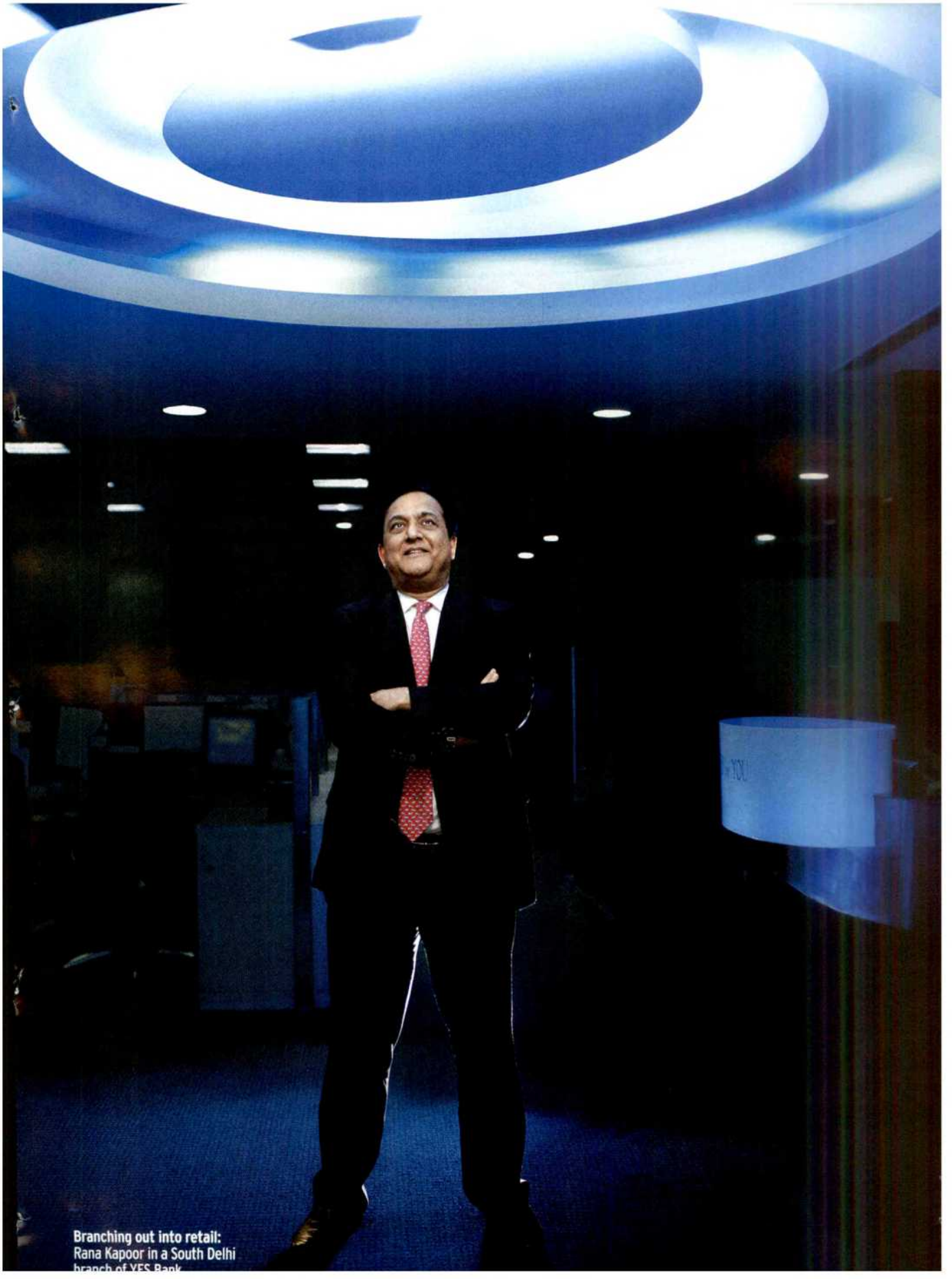
Corporate advances dominate the bank's assets...



...financed by corporate deposits



Figures in %
Source: YES Bank, March 2013



Branching out into retail: Rana Kapoor in a South Delhi branch of YES Bank

that the employees will shift to YES Bank. So the bank came up with an auto-credit service that enables customers make payments such as EMIs from their existing salary account, and then transfer the remainder to YES Bank, where it could earn higher interest.

Chitra Pandeya, Senior President and Country Head for savings liabilities and direct banking, says the bank is focusing on a special seven per cent rate on savings accounts. But while this may attract a customer, it is not enough. And since the bank is much smaller than private-sector rivals such as ICICI and HDFC, its management believes the conventional salary-account approach will not work.

Its focus is slowly shifting from cross-selling products to existing customers, to garnering new customers using the business-to-business-to-consumer model (in B2B2C, two businesses jointly promote mutually beneficial products and services to consumers). So, for example, it is collaborating with partners to provide links on the websites of cooperative housing societies, to help members pay their dues.

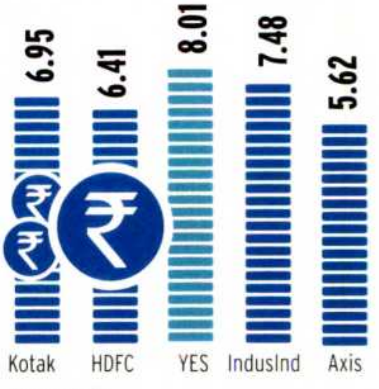
Current Account and Savings Account (CASA), the basic unit of retail banking, has risen steadily to 20.4 per cent, from 15 per cent in March 2012. In the quarter ending September 2013, CASA deposits grew 52.5 per cent year-on-year to ₹13,780 crore.

YES bank has a strong human resource focus. For example, it avoids transferring employees. "Our sales force is oriented towards customers in a particular area," says Pralay Mondal, Head of branch banking, business banking and retail.

Deodutta Kurane, Group President for human resource management, adds that the bank prefers to hire rather than outsource. "The employee must feel, 'I have made a difference in the organisation'," he says. "Only if that happens will we achieve retail. Everything else is going to work around that."

HIGHER COST OF FUNDS

YES Bank's cost is high due to lower current and savings accounts...



Figures in %

.... and that affects margins

Net Interest Margin

Figures in %, for 2013
Net Interest Margin is difference between interest received and interest paid
Source: RBI

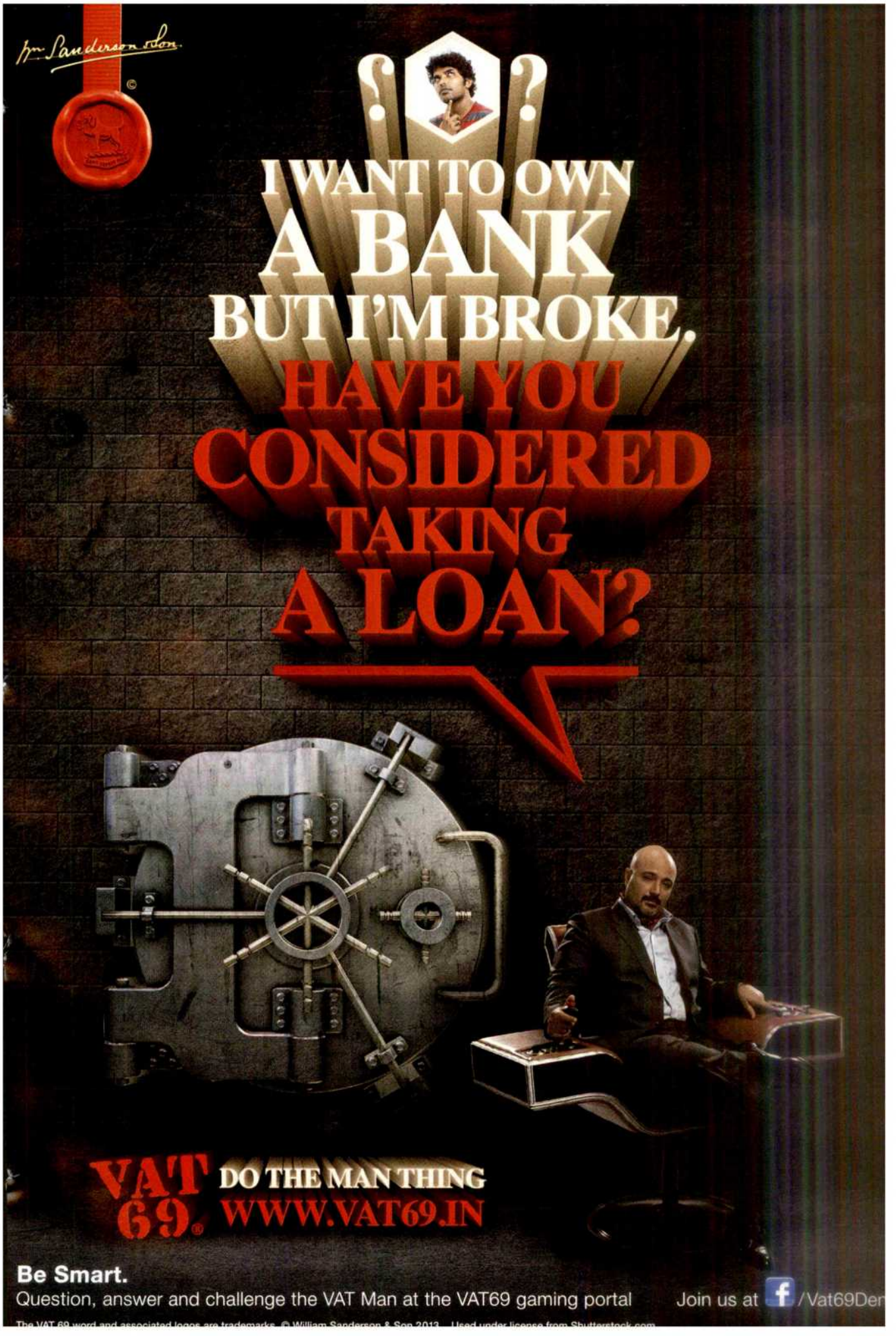
It is a delicate balancing act. Siddharth Teli, analyst at Religare Capital Markets, says most retail banks have a significantly higher cost-to-income ratio than YES Bank (a lower ratio indicates better cost management). For example, three large private sector banks with a retail focus have a cost-to-income ratio of 0.40 to 0.50, while YES Bank's is 0.38. Analysts say that as the bank expands its branch network, the ratio will worsen, because branches require capital and people. But a higher retail mix will derisk the business model.

In a tough economy, YES Bank has managed to hold its ground. In 2012/13, its deposits grew by 36.22 per cent, and advances 23.72 per cent. The bank has the highest return on capital employed at 24.81 per cent, and a very comfortable capital adequacy ratio at 18.3 per cent. In September, it raised $255 million in overseas loans to lower its cost of funds. The net interest margin – the money it makes from interest – has risen steadily to 2.57 per cent, from 2.55 per cent five years ago.

The branch will remain the key in the foreseeable future. YES Bank is following a hub-and-spoke model to ensure that each branch has only the capabilities that it needs, rather than setting up one-size-fits-all branches. This ties in with the goal of building customer relationships that span the bank's products and services.

Kapoor says that by 2020, he intends that the bank should have evolved comprehensively as a retail bank, and then it will be time for YES Bank version 3.0. ◆

@suprotip


Wm. Sanderson & Son
I WANT TO OWN
A BANK
BUT I'M BROKE.
HAVE YOU
CONSIDERED
TAKING
A LOAN?
VAT 69.
DO THE MAN THING
WWW.VAT69.IN
Be Smart.
Question, answer and challenge the VAT Man at the VAT69 gaming portal
Join us at /Vat69Der
The VAT 69 word and associated logos are trademarks © William Sanderson & Son 2013 Used under license from Shutterstock.com

Socially Aware

Private banks are leveraging online social networks to engage customers and boost brand visibility.

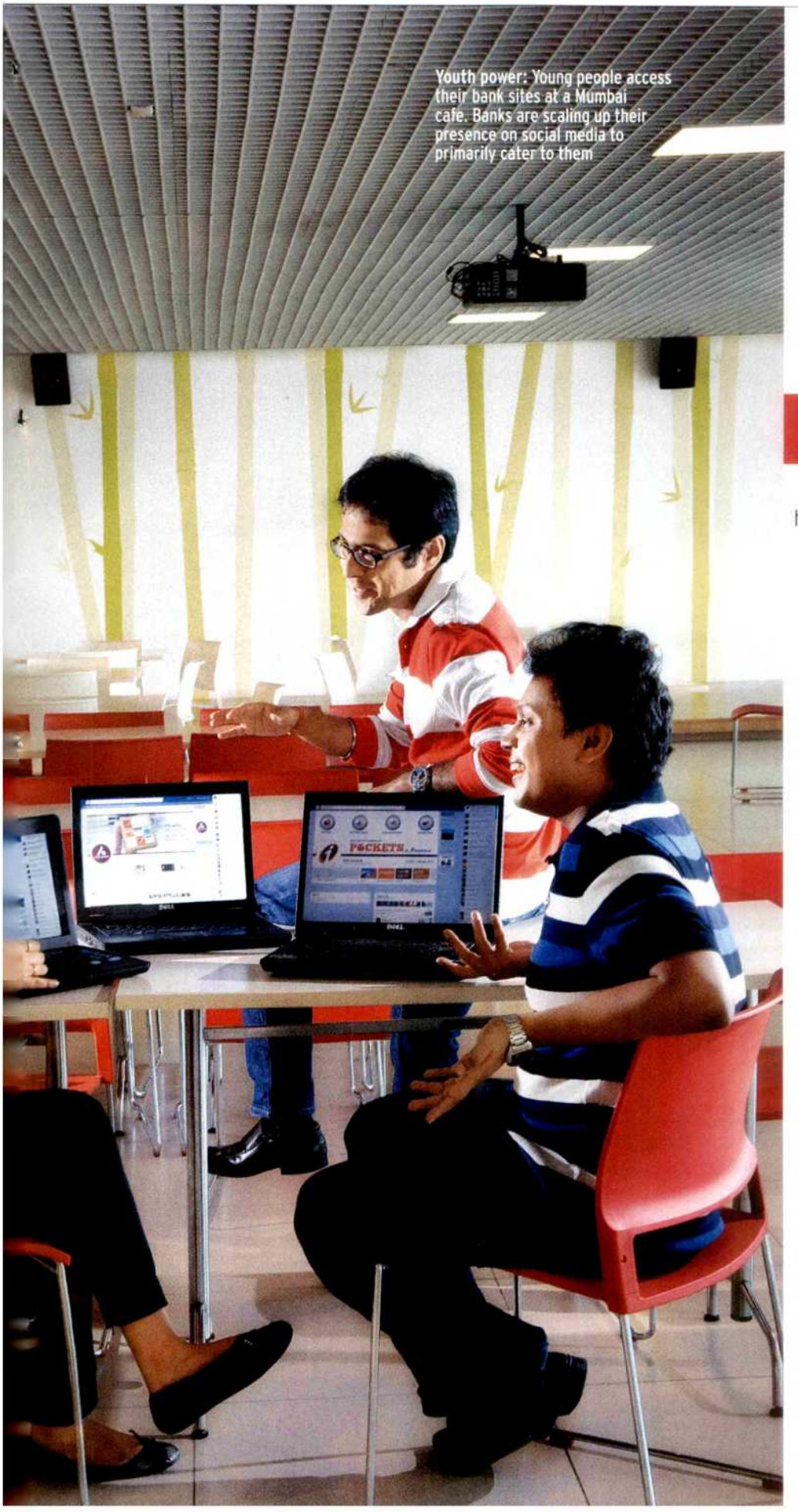
By ARPITA MUKHERJEE

Nikhil Madhusoodhan, a 29-year-old Mumbai-based content writer, sent several emails to his bank about his malfunctioning credit card but got no response. He finally reached out to the bank through Twitter. Much to his surprise, the bank promptly responded and addressed his concern. "I no longer bother with customer care numbers and emails. I just tweet, sit back and wait," he says.

Madhusoodhan's is not an isolated case. Banks, especially private ones, have now realised the growing power of social networking sites and are engaging customers through them. Indeed, if you visit the banks' pages on Facebook, or follow their Twitter handles, you will find many of their special offers listed there as well. HDFC Bank, for instance, on its Facebook page, has a list of stores which offer a discount on apparel and optical frames bought using the bank's credit or debit card. ICICI Bank, the country's largest private sector bank, prods visitors to its social media site to use its online tool, 'My Money', for electronic transactions. Its new Facebook application, 'Pockets by ICICI Bank', allows users to log in to their accounts through Facebook and carry out transactions such as booking movie tickets or transferring funds to friends, without even disclosing their account details. Axis Bank too has made similar offers on Facebook and Twitter.

These are some of the ways banks are exploiting social media to reach out to new and existing customers. Most have realised that social media offers an invaluable opportunity to reach sections of the target audience, particularly the youth. Using social media is a good way to get consumers to talk about your brand, says Kartik Jain, Head, Marketing, HDFC Bank. "People are talking on these platforms about us, and it is interactive and

RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM



Youth power: Young people access their bank sites at a Mumbai cafe. Banks are scaling up their presence on social media to primarily cater to them

TAPPING SOCIAL MEDIA

Leading banks already have a large following on Facebook...

Bank/ No. of fans

ICICI Bank
2,296,008

HDFC Bank
1,596,501

Axis Bank
1,328,129

IDBI Bank
729,613

Citibank India
521,659

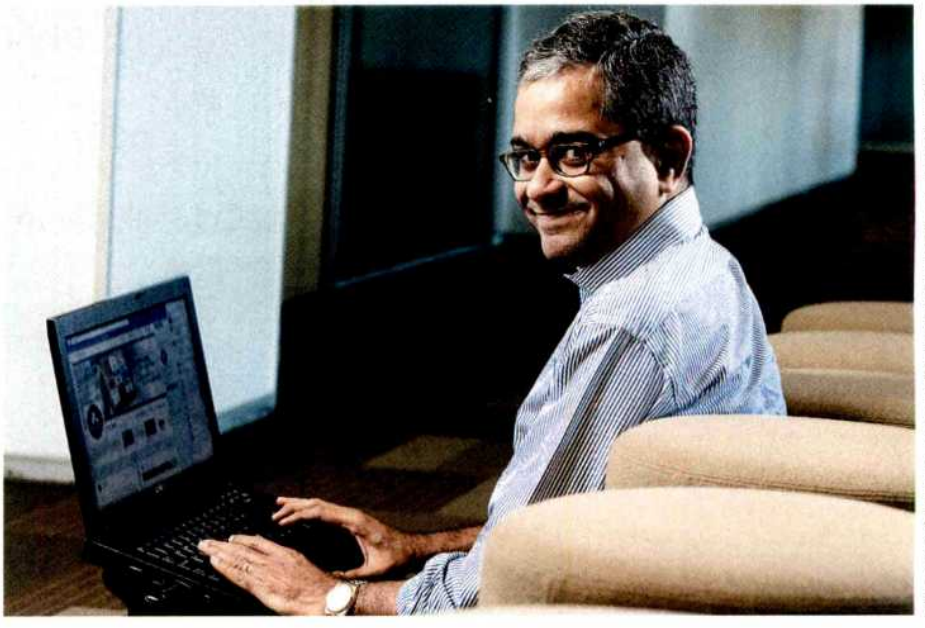
YES Bank
293,264

Standard Chartered India
127,516

Kotak Mahindra Bank
64,069

(As of June 30, 2013)

Source: Unmetric



NISHIKANT GAMRE/www.indiatodayimages.com

... and are also scaling up their presence on Twitter

Bank Twitter handles/ No. of followers

@YESBank	48,151
@KotakBank Ltd	39,031
@IDBI_Bank	11,768
@ICICIBank_Care	8,558
@HDFC_Cares	8,214
@HDFC_Bank	7,958
@Axis Bank Offers	2,203
@AxisBankSupport	1,555
@AxisBank	1,368

(As of June 30, 2013)

Source: Unmetric

two-way, and because it is not controlled, there's all the more reason for banks to be present there," he says.

Facebook is the most popular social media channel for banks. It reaches out to over 70 million people in urban India, about 90 per cent of the social media user base, according to multinational business consultancy firm IMRB International's report "I-Cube 2013". ICICI Bank had about 2.5 million likes on its Facebook page at the end of September 2013.

Other banks, such as HDFC Bank and Axis Bank, also understand the potential of social media channels. Jain of HDFC Bank dedicates a major chunk of his time to managing social media channels. Both HDFC Bank and Axis Bank have close to 180,000 likes on their Facebook pages.

Rajiv Anand, President, Retail Banking, Axis Bank, says consumers today increasingly make an informed choice of products and services. "Now it becomes very important for you to be within the consideration set and at every point," he says. The bank promotes its education loans and "YOUth" accounts, with a focus on mobile banking and debit card initiatives, both on its Facebook page and on its Twitter handle.

> "Consumers demand individual attention on social media. They need a response on a more personal level"
>
> **Rajiv Anand,** President, Retail Banking, Axis Bank

"We must be present on all channels. It is up to the customer to choose the channel he or she prefers," says Abonty Banerjee, General Manager and Head of Digital Channels, ICICI Bank, adding that high value transactions would continue through its banking channel, while smaller ones could go through its Facebook application, 'Pockets'.

Bankers expect the importance of social media to grow steadily. "Gone are the days when we were saying that digital is a niche segment therefore we'll have niche offerings for it. Unlike five to six years back, digital and social mediums have become an integral part of banking," says Sujit Ganguli, Senior General Manager, ICICI Bank.

Social media acquires greater relevance for banks for another reason. Banks are encouraging customers to make more online transactions and networking sites are helping them achieve that goal. Sanjeeb Chaudhuri, Regional Head, South Asia & Chief Marketing Officer, Consumer Banking, Standard Chartered Bank says the bank works with large social media properties, such as Facebook, as media partners for its marketing campaigns. "It helps us target and reach out to the right consumers," says

This festive season, make sure your walls leave a lasting Impression.

The Impressions range from Nerolac gives an elegant & luxurious finish while its zero VOC content ensures freedom from smell & from health hazards.*

NEROLAC
ALTHY HOME PAINTS
PRESSIONS

compliant on VOC for selected products.

Brighten up your home with beautiful walls and a stunning decor with Nerolac's ***Welcome Home Happiness DVD.***

JUST SMS **HOME** TO **56070**
TO GET YOUR **FREE** COPY.

RACHIT GOSWAMI/WWW.INDIATODAYIMAGES.COM

Harnessing YouTube

Bank/ No. of views as of June 30, 2013

ICICI Bank
1,126,264

Axis Bank
1,091,350

Kotak Mahindra Bank
964,113

HDFC Bank
305,768

IDBI Bank
89,952

IndusInd Bank
37,708

Source: Unmetric

Chaudhuri. The bank offers discount schemes on purchases through Flipkart and Ezone, among other online retailers, on its Facebook page. Indeed, several banks have tied up with e-commerce companies and offer discounts and cash back offers on social networking sites. The attempt is to increase the average number of transactions.

Banks also look to keep customers engaged on social media through videos. "We want to be thought leaders in this space. We provide content that educates people about financial services. People can watch videos about how they can be better and smarter with money," says HDFC's Jain. The bank uploads videos on YouTube, called "Money Talk." In one recent video, for instance, Ashish Parthasarthy, Treasurer, HDFC Bank, talks about the change in the RBI's monetary policy and the impact it has on interest rates. In another video, the bank's Chief Economist, Abheek Barua, speaks about GDP growth and how it impacts the common man.

"We provide content that educates people about financial services. People can watch videos about how they can be smarter with their money"

Kartik Jain (Left), Head, Marketing, HDFC Bank, (Alongside is **Nitin Chugh,** Head, Digital Banking)

The Challenges

There are several challenges for banks in connecting with clients via social media. They have to ensure their responses are prompt and also not stock replies. Consumers today take offence at being clubbed together, and demand individual attention. "They need a response at a more personal level," says Anand of Axis Bank.

Pramit Jhaveri, India CEO of Citibank, emphasises that there are concerns regarding information security and fraud. "It's not clear to me that social media can play a role as far as transacting between two institutions is concerned," says Jhaveri. HDFC Bank is the only bank that allows people to post directly on its Facebook page, but it too has stayed away from giving banking services access through social media. "We don't think information related to accounts and financials should be used on social media, even if it has a few security layers," says Nitin Chugh, Head, Digital Banking, HDFC Bank. ◆

@arpitamukherjee

Celebrating 20 years

Genius HRMS

- Manpower Projection
- Recruitment Process
- Induction Process
- Performance Appraisal
- Training Management
- Attendance Management
- Leave Management
- Compensation Management
- Loan & Advance Management
- Income Tax Management
- Employee Exit Management

Genius Payroll

- Integrated Biometric Attendance
- Salary Computation
- Compensation Management
- Leave Management
- Management of Arrears
- Loan & Advance Management
- Management of variable Earnings & Deductions
- Management of Disbursements
- Income Tax management
- Management of Bonus/Exgratia
- Management of Gratuity
- Computation of PF, ESI, P.Tax & LWF
- Computation of Returns

Salient Features

- Simple to Use
- Web based enabled knowledge sharing
- Available in SAAS , Cloud & Software mode
- Maximum Flexibility & Customization
- Single window to every employees data
- Create & download any Report & MIS
- Share news across employees
- VeriSign Data Security
- Inbuilt back-up & restoration of data
- Import and export of data from other systems

Temporary Staffing | Recruitments & RPO | Payroll Processing
Statutory Compliance Management | Background Check & Verification | HRMS and Payroll Software

Your company's growth is our main focus. Genius, HR Solutions endeavors to bring success to all leading organizations for the last 20 years. Not only a recruitment record of 24,075 associates during the financial year 2012-13, but maintaining a thorough background check of all candidates and managing the entire payroll system of large corporate houses, ensures your company's smooth flow. Belief and determination to excel has made us spread offices country wide. Switch us on and relax will make you perform just fine.

Genius

35,000 Outsourced Associates | Over 1 Lac Employment | 17 Offices
45,000 Backgroud Checks | Own PF Trust | Complete Online Management

E: enquiry@geniusconsultant.com | W: www.geniusconsultant.com

STANDING TALL: Ravneet Gill, CEO, Deutsche Bank India, (left) and Stuart Milne, CEO, HSBC India, both appointed last year, in front of the Mumbai Taj hotel.

THE BIG FOUR Select financials of four leading foreign banks in India

CITIBANK

● 2012 ● 2013

Total Assets

Operating Profit

STANCHART

● 2012 ● 2013

Total Assets

Operating Profit

NISHIKANT GAMRE/www.indiatodayimages.com

Native Prudence Pays

Stung by the financial crisis of 2008, foreign banks have curbed their exuberant retail lending and are back in clover again. By MAHESH NAYAK

Daljit Singh Arora took a ₹2-lakh loan from a foreign bank when the Indian economy was still on a roll. Business at his automobile spare parts shop in Vashi near Mumbai was good and the fifty-something had no problems repaying his instalments for a couple of years. But once the financial crisis of 2008 hit, Arora began struggling to keep repaying. After a series of negotiations, he reached a settlement with his bank. On balance, it was a win-win for him although the bank got a raw deal.

Arora's bank wasn't alone. About half a dozen foreign banks in India took big hits after 2008 when customers began defaulting on personal loans or credit card payments. Citibank, HSBC and Standard Chartered – which together account for over 60 per cent of total foreign banking assets in India – suffered significant losses in their consumer finance portfolio. "This was our own creation and we paid the price for it in terms of the losses. The entire experience was a self-inflicted misadventure," says Pramit Jhaveri, CEO, Citibank India.

The crisis was a learning experience. Today, most foreign banks have cleaned up the mess created by aggressive retail lending and are focusing on institutional business instead – the corporate advisory business, mergers and acquisitions, distribution of financial products such as mutual funds and insurance, and cross-selling of such products. Credit standards have improved, which has stopped further losses in loan accounts. With India still a key growth market, streamlined retail banking operations have helped banks return to profitability and stay ahead of the game despite the slowdown. "Retail play for foreign banks will remain subdued, it will be cautious and calibrated," says Saswata

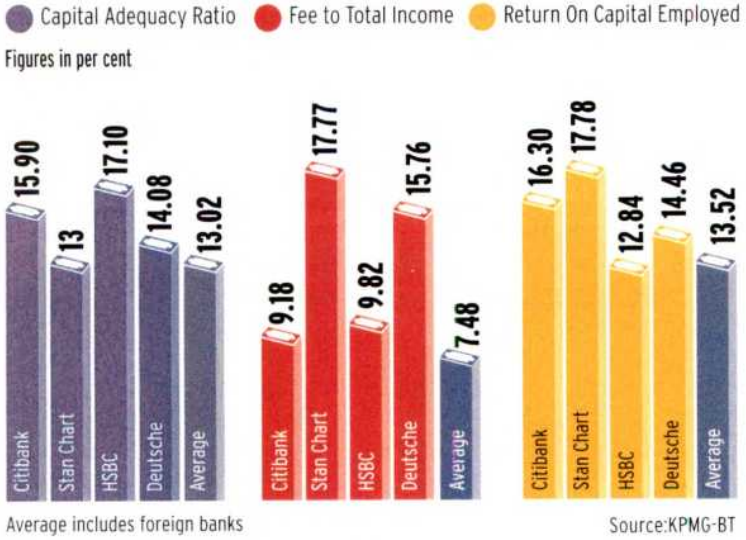
Source: BT-KPMG
(Figures in ₹ cr)

Guha, Director-Financial Institutions at Fitch Ratings. Other experts agree. "Unlike many Indian banks, foreign ones have been quick in identifying stressed assets and made provision for their bad loans," says P.H. Ravikumar, Managing Director at Capri Global Capital.

HSBC India has reduced its exposure to consumer finance and moved out of segments such as unsecured loans, credit cards and personal loans in the retail segment. It has nearly written off over ₹2,450 crore of bad debts from its balancesheet. Deutsche Bank India has exited its credit card business as scalability was proving a challenge. Ravneet Gill, CEO of the bank, says its growth will come from transaction banking and mortgages. Citibank brought in close to ₹1,150 crore in 2009/10 to address the specific needs of the unsecured middle market consumer finance market. "The retail business is important for us, but we are not competing with State Bank of India," says HSBC India's Group General Manager and CEO Stuart Milne. "For us, retail is the mass affluent individuals for whom we offer mortgage loans, wealth management products and take deposits."

BACK IN BUSINESS

Foreign banks score over most large domestic ones on many parameters



Average includes foreign banks

Source:KPMG-BT

Foreign banks have not abandoned retail, but have changed their approach to it. They have become more discerning and also look for a holistic relationship that meets the needs of customers. Milne says traditional banking is back in HSBC, and the focus is on credit quality and building long-term relationships. Standard Chartered Bank has become more selective with personal loans in the retail segment. Its unsecured loan book now accounts for 15 per cent of its overall loans compared with a higher 20 per cent just before the crisis. "After the learning of 2008 and 2009, our approach has changed. Today, we only give unsecured loans (personal loans) to salaried people. The credit information bureau has also helped," says Sunil Kaushal, CEO of Standard Chartered Bank in India.

India has around 40 foreign banks which account for about five per cent of total deposits and advances. They have around 330 branches across the country – in comparison, Indian banks have a network of 105,000 branches. The Reserve Bank of India's new rules relating to foreign banks are unlikely to change the overall banking landscape. Experts say there may be few takers for the recent move to allow foreign banks to set up wholly-owned subsidiaries, because of several regulatory restrictions. One of the biggest challenges is a regulatory environment that insists foreign banks earmark 40 per cent of their lending for the priority sector. "The priority sector lending target of 40 per cent and the requirement of maintaining at least 25 per cent of all new branches in unbanked centres are formidable challenges," says Guha of Fitch Ratings. He adds that the new norms are not an incentive for foreign banks as many state-run banks themselves are not able to meet the priority lending provisions.

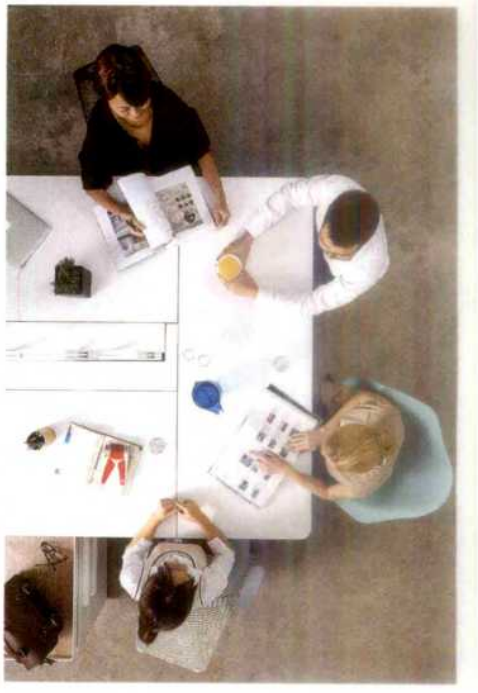
Many foreign banks prefer to have a limited physical footprint. For example, Citibank's global strategy is to focus on 150 of the world's cities, nine of them in India. "Our business model, in terms of an operating model and a mindset, has always been to recognise that we have a small footprint. And the question is, can we afford to be here, and have a market share that is the size of our footprint? The answer is no," says Jhaveri. "There is no use replicating what someone with 4,000 branches is doing. We have to play to our own strengths."

In the end, the question before every foreign bank is: how quickly can the growth momentum come back? Most foreign banks are still optimistic India will bounce back to seven-eight cent growth levels. Until then, they will stick with the tried and tested. ◆

@MaheshNayak

Introducing Arras Spine.™ Bringing People Together.

Arras Spine makes it easy for people to come together to exchange ideas, co-create and reconnect. Its flexible, freestanding spine acts as a communal channel for work tools and shared accessories. Moveable components let you create spatial boundaries for private and group activities, work and play.



an Miller Furniture (India) Pvt Ltd

a Towers Pvt Ltd,
, 5th Floor, Ali Asker Road,
alore. 560 052. India
1 9845324444
o_india@hermanmiller.com

Available at:

AHMEDABAD
Searce

BANGALORE
Bearys Innomark
Simply Sofas
Workplace Solutions

CHENNAI
Buildcraft Interior

COCHIN
Prime Commercial Solutions

COIMBATORE
Simply Sofas

HYDERABAD
Richi Interiors
Seating World Extension

KOLKATA
Giani's Atwork

LUDHIANA
Comffits Collection

MUMBAI
Workrite
Workplace Interiors

NEW DELHI
CJ Living
Workplace Synergies

PUNE
Ergo Systems

HermanMiller
hermanmiller.com/asia

Superstars All

Snapshots of winners in different categories. Some grew despite the slowing economy, some prospered by keeping tight control on the quality of assets. BY K.R. BALASUBRAMANYAM

AXIS BANK
Most Consistent Performer (Large Bank)

Fast yet Steady

Axis Bank, the country's third-largest lender, has delivered growth with profitability with stunning consistency for many years. In the past five years its deposits rose at a compound annual rate of 23 per cent, advances grew 26 per cent, and profits soared 37 per cent. "Our strategy has been to serve primarily Indian customers with a full suite of offerings," says Shikha Sharma, Managing Director and CEO.

The bank's fast-growing retail business is compensating for a slowdown in corporate loans. Its domestic retail deposits constituted 73 per cent of local deposits and retail assets made up 30 per cent of total advances at the end of September. Home loans accounted for 64 per cent of retail loans.

Sharma says the slow pace of implementation in the infrastructure sector, which makes up about 11 per cent of Axis Bank's loan book, is worrying. There are challenges also in terms of demand for credit, she says. Savings are growing slowly. Some good companies have faced cash flow problems and restructured their loans. Sharma believes many of these companies will bounce back. "The worst is behind us," she says. "Things should begin to improve soon."

SHIKHA SHARMA
MD & CEO

IDBI BANK
Productivity and Efficiency (Large Bank)

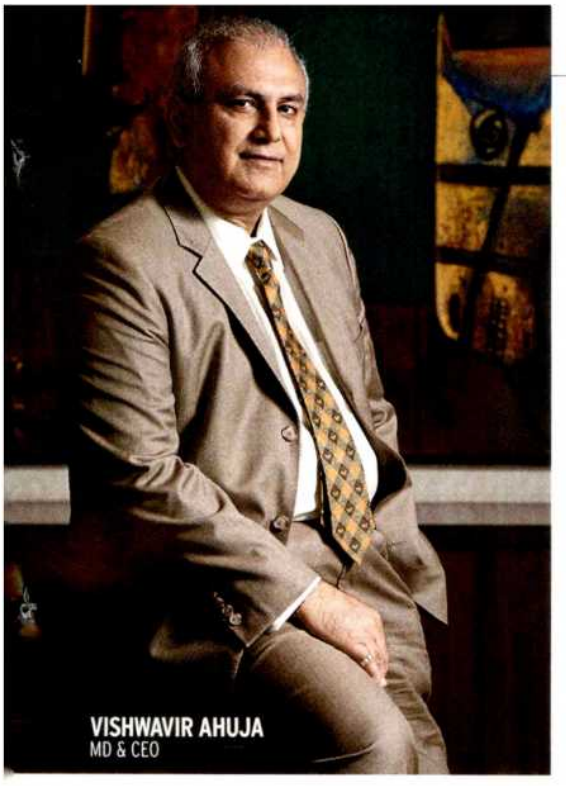
Raring to Do More

IDBI Bank, which was converted from a development finance institution to a commercial lender nine years ago, is young in more ways than one. "The average age of our staff is 33 years. We could get more out of them if we had a bigger network of, say, 5,000 branches," says Chairman and Managing Director M.S. Raghavan. He is looking at a network of 2,000 branches in two years' time from 1,160 now. "We have not done much in terms of building customer touch points," he adds.

M.S. RAGHAVAN
CHAIRMAN &
MANAGING DIRECTOR

The bank's cost-to-income ratio is at 0.36, the best in the industry. Its operating profit per employee at ₹35 lakh places it among the top four banks in the country. The bank has also inherited a large corporate loan book. This expertise in corporate finance boosts its fee-based income, which makes up 9.16 per cent of its total income. Raghavan, however, feels the bank will lose the advantage of stepping into commercial banking unless it expands its retail portfolio.

PHOTOGRAPHS BY NISHIKANT GAMRE
www.indiatodayimages.com


VISHWAVIR AHUJA
MD & CEO

Video interviews with bank chiefs at businesstoday.in/bestbanks2013-winners

#BTBestBanks

RATNAKAR BANK
Growth (Mid-sized Bank)

Stunning Makeover

Vishwavir Ahuja has transformed Ratnakar Bank since taking charge as the CEO of the Kolhapur-based lender three years ago. Its balance sheet has ballooned to ₹15,000 crore from ₹2,000 crore during the period and the number of branches has jumped to 160 from 89. In the past three years, its deposits and advances have grown at a compound annual rate of more than 70 per cent. Gross bad loans are less than one per cent of total advances. "We are building a bank with global best standards," says Ahuja.

The bank is eyeing regions away from cities for new branches. It wants to retain its focus on agriculture and development banking while expanding retail loans at the same time. "In five to six years' time, we expect retail to be one-third of our total business," says Ahuja. His big challenge is to improve the return on capital employed, which at 6.73 per cent is far lower than the 24 per cent the best in the industry make.

BANK OF NOVA SCOTIA
Productivity and Efficiency (Small Bank)

Committed to India

Canadian lender Bank of Nova Scotia has allowed its Indian arm to retain profits of about ₹475 crore since 1999. The move shows the bank's commitment to its India operations. "Since March 1999 we have retained all profits in India," says the bank's country head Sanjeev Mittal.

In the year through March 2013, the bank's deposits in India soared to ₹6,000 crore from ₹4,600 crore, while net profit rose to ₹286 crore from ₹246 crore. Mittal says business grew as the bank, which is active in bullion trade, has started offering some other services, such as advisory and hedging, to clients apart from lending.

SANJEEV MITTAL
COUNTRY HEAD

BANK OF AMERICA
Quality of Assets (Small Bank)

Leveraging its Global Reach

KAKU NAKHATE
COUNTRY HEAD

Bank of America offers a range of services but has stayed away from retail banking. That is the main reason why it has no bad loans. "We are not likely to be in retail at least for the next two to three years," says its India country head Kaku Nakhate.

The bank's India office closed two high-profile deals in the past year. One deal was Gulf carrier Etihad's investment in Jet Airways and the other involved Diageo's stake purchase in United Spirits. The bank focuses mostly on the top 150 to 200 Indian companies. One of the bank's main strengths, says Nakhate, is its global reach. For instance, the bank uses its global team to arrange overseas debt for Indian companies buying foreign assets.

w.wave-inc.com

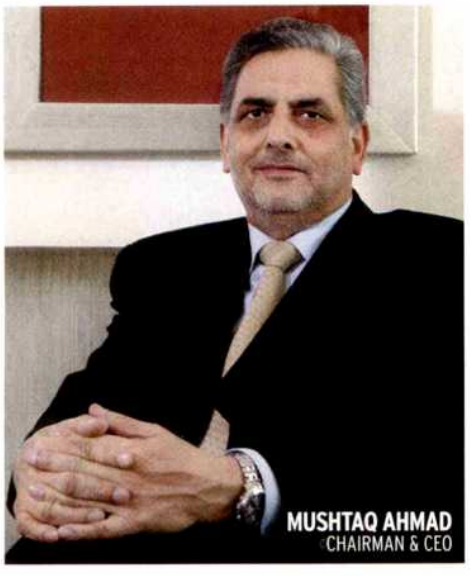
WAVE

An Organisation built on Trust

AVE Infratech | WAVE Industries | WAVE Distilleries & Breweries Ltd | WAVE Premier Sports | WAVE Beverages | WAVE Cinemas | WAVE Malls | The Ponty Chadha Foundation

L ESTATE | SUGAR | PAPER | DISTILLERIES & BREWERIES | SPORTS | BEVERAGES | EDUCATION | MALL & MULTIPLEXES | FILM DISTRIBUTION | CSR

Corporate Office: Wave Group, C - 1, Sector - 3 , Noida - 201301 (U.P.) India | Board No. +91 120 4180500 | Fax No. +91 120 4180541



J&K BANK
Productivity and Efficiency (Mid-sized Bank)

Cautiously Adventurous

Srinagar-based J&K Bank is a public sector lender with private sector-like efficiency. The bank, in which the Jammu and Kashmir government holds a 53 per cent stake, has not just expanded its business in the past few years but also improved its productivity. In the five years through March 2013, it has grown its branch network to 725 from 575. Business per branch rose to ₹150 crore from ₹101 crore while business per employee grew to ₹11 crore from ₹7 crore. During the same period, the return on assets climbed to 1.7 per cent from 1.1 per cent. Its net interest margin – an important indicator of profitability – widened to four per cent from three per cent.

"We are targeting 1,000 branches, business of about ₹1,70,000 crore and net profit of ₹1,700 to ₹1,800 crore by March 2016," says Mushtaq Ahmad, Chairman and CEO. The bank posted a net profit of ₹1,055 crore in 2012/13 on total business of more than ₹1,00,000 crore. Ahmad, however, says the bank will open new branches only after half of the newly opened branches turn profitable.

C.VR. RAJENDRAN
EXECUTIVE DIRECTOR

BANK OF MAHARASHTRA
Growth (Large Bank)

Changing Priorities

Pune-based Bank of Maharashtra grew at a quick pace in 2012/13. Gross advances surged 34 per cent while deposits expanded 24 per cent. This year, however, priorities have changed. Executive Director C.VR. Rajendran, who is steering the bank, aims to widen the net interest margin to above three per cent from 2.92 per cent. He plans to lower gross bad loans to less than two per cent of advances and also wants to reduce the cost of funds.

Battered by a poor show in the July to September quarter, the bank's stock is trading at a huge discount to its book value. This, says Rajendran, is because the bank is focusing more on top line growth rather than the bottom line. "We are changing that and will focus more on profitability. We will plough the profits back into business and increase our capital base," he says.

J.P. MORGAN CHASE
Best Small Bank

Lots to Be Done

KALPANA MORPARIA
INDIA CEO

India is a small piece of US financial services giant J.P. Morgan Chase's global business. While it has only one branch in India, it offers a range of corporate and investment banking services, cross-border fund raising, and mergers and acquisitions work. Since 2008, the bank has helped Indian companies raise more than $20 billion locally and overseas.

"We wish to grow to three to four branches," says Kalpana Morparia, the bank's India CEO.

Morparia feels there is a big opportunity for foreign lenders in retail banking in India. "If you look at a basic product such as a deposit product, there are still segments of the Indian population that have no access to it. If you look at credit penetration or payment efficiency, a lot can be done," she says.

@krbaloo

Presenting KVB
CORP

A Corporate Account that has benefits for both employers and employees. It offers concessions on Current Accounts of employers and on Savings Accounts of employees.

Saving Bank Account

- Zero balance Account • Free Mobile /Internet Banking • Free RTGS/NEFT*
- Accidental death insurance coverage upto ₹ 2 Lakhs* • Sweep in/out feature to RTD
- Insta Loan* • Priority on Home and Car loans* • Various concessions*

Current Account

- Free Internet Banking • Free Email statements • Nil folio charges
- Online tax payment • Free cheque book/RTGS/NEFT/DD/P.O*
- Free cash remittance* • Door-step banking facility*

KVB Karur Vysya Bank
Smart way to bank

www.kvb.co.in

Helpline No.: **1860 200 1916**

BANK OF TOKYO-MITSUBISHI UFJ
Growth (Small Bank)

Details Matter

SHEKHAR GHOSH

About a year-and-a-half ago, Michihiro Enomoto, the India head of Bank of Tokyo-Mitsubishi UFJ, found himself sitting next to Sachin Tendulkar on a flight to Mumbai. Enomoto hardly follows cricket, but still recognised the cricketer. How? In his career, Tendulkar has endorsed a few Japanese brands including Toshiba and Canon, the bank's clients. "It's important to know every minute detail about your clients if you want to be on top of things," says Enomoto.

The bank works with almost all Japanese firms – estimated to be more than 1,000 – operating in India. But a large chunk of its India revenue comes from local clients. Its India revenue has jumped to ₹994.98 crore in 2012/13 from ₹394.71 crore in 2010/11. "India is both an exciting and a challenging place to do business," says Enomoto.

MANU KAUSHIK

DEUTSCHE BANK
Quality of Assets (Mid-sized Bank)

Disciplined Aspirations

Deutsche Bank's India CEO, Ravneet Gill, has been steadily increasing its retail portfolio. Over the past year the share of the retail business has doubled to 10 per cent of the bank's book. But the growth isn't blindfolded, and Gill is constantly keeping an eye on asset quality. "We've had a very disciplined approach to risk and that has never been diluted," says Gill.

The bank's gross bad loans are 0.21 per cent of total advances, the lowest in its segment. The bad loan coverage ratio is 81.44 per cent, higher than the mandatory 70 per cent. "We've been able to grow almost 20 to 25 per cent CAGR (compound annual growth rate) without diluting our credit quality," says Gill. He says Deutsche Bank has high aspirations in India, which is among its top five to six growth markets. "The two pillars of our strategy will be transaction banking and mortgages and we're looking to grow both these businesses significantly."

MAHESH NAYAK

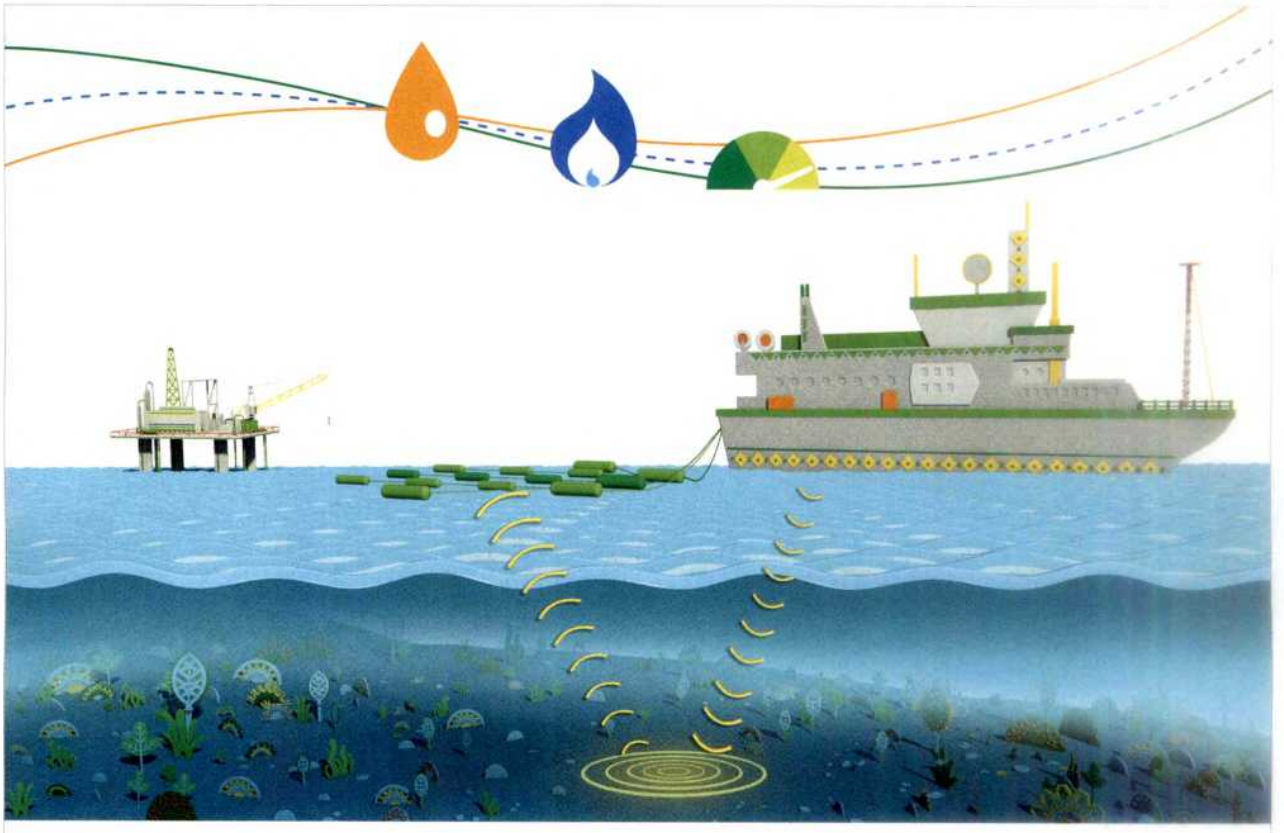
HSBC INDIA
Quality of Assets (Large Bank)

Lending Well

HSBC India boasts one of the lowest bad loan ratios in the country at 0.33 per cent of total advances. The bank's bad loan coverage ratio is at 81.43 per cent, higher than the mandatory 70 per cent.

To focus on credit quality, the bank has shied away from the retail consumer business. "The retail business is important for us, but we are not competing with State Bank of India," says HSBC India CEO Stuart Milne. "For us, the retail segment comprises affluent individuals to whom we offer mortgage loans and wealth management products."

MAHESH NAYAK



BP in India... There is technology in this partnership.

As one of the world's leading energy companies, BP is committed to help secure India's energy future. Using advanced seismic imaging and deep water technology, together we will find energy even in the most challenging places.

BP in India. There is energy in this partnership.
Find out more at bp.com/india

bp

O&M 8312

Infra Worries

How to ease the current difficulties in financing infrastructure projects

Financing the ₹51 lakh crore infrastructure expansion programme under the Twelfth Five Year Plan (2012-17) critically hinges on achieving the targeted 47 per cent private sector investment. So far private sector investment in the infrastructure sector has been towards projects in sub-sectors that are well-regulated, operate in an orderly and efficient market and offer relatively easy-to-manage projects with robust business plans.

As regards deployment of bank credit in the sector, a significant portion of the debt requirement of privately-funded projects has been met by borrowing from domestic banks. IDBI Bank has been extending financial assistance to the infrastructure sector in a big way. As of September 2013, our fund-based exposure to the sector was about ₹49,281 crore.

The incremental deployment of credit in the sector increased from ₹1.19 lakh crore during the Tenth Plan to ₹4.76 lakh crore during Eleventh Plan, a 300 per cent growth. The growth rate in deployment of gross bank credit in the sector declined from 20.5 per cent in 2011/12 to 16.5 per cent in 2012/13.

Banks, however, have limited appetite for a major role as providers of long-term debt for infrastructure projects as they are weighed down by the risk of an asset-liability mismatch. The long-term funds available with insurance and pension funds are not being adequately channelised to meet the debt requirement of the infrastructure sector due to regulatory restrictions. The corporate bond market and the recently set-up infrastructure debt funds (IDFs) are yet to play significant roles as providers of long-term debt. Further, most of the greenfield infrastructure projects do not secure a high credit rating, which in turn affects their ability to raise external funding. In this regard credit enhancement mechanisms could provide adequate security comfort to lenders for extending debt to infrastructure projects.

The competition among banks in the infrastructure space, however, has diluted the standards of financing. It is high time all of us stick to some standards in this space. These are also tough times for banks. At IDBI, we have seen slippages in the last two quarters. Despite this, we have been able to maintain the coverage ratio at about 63 per cent. Stress still prevails in the economy. Balance sheets of banks that have more exposure to corporate and infrastructure sectors are stressed in such an environment.

India Infrastructure Finance Co's innovative Takeout Finance Scheme, which was subsequently modified, did not elicit a good response. A few areas that need to be harmonised to make the product a win-win for both banks and the IIFCL are:

(a) Banks which have provided finance during the implementation stage with a higher risk need to be reasonably compensated when they give up a good asset after the project is completed. At present the scheme provides only a small incentive.

(b) Uncertainty of culmination of the take-out transaction due to the numerous conditions to be fulfilled at the time of actual take-out.

(c) Restrictive conditions with regard to limit on take-out loan quantum, exclusion of refinanced loan/loan for financing overrun in the project, amortisation schedule of take-out loan, etc., are not appreciated by the borrowers or the banks. Reliance on funding project debt through external commercial borrowings runs the risk of refinancing, due to the reluctance of foreign lenders to extend long tenured facility, as also the cost of hedging forex risk, which is expensive in a volatile forex market. Often long-term hedging products are not available.

Going forward, infrastructure projects are likely to become relatively complex to manage – encompassing structuring, construction and operation phase issues. Project preparation will assume greater significance and attract sharper focus. This is an important time-consuming and expensive exercise, which has the potential to maximise 'value for money' in a project.

A well-developed financial system is a critical chain-link for facilitating long-term financing. The government is trying to develop corporate bond markets, take-out finance, etc. There is a dire need for structures similar to development finance institutions (DFIs). ◆

The writer is CMD, IDBI Bank Ltd

IBM
Whose cloud powers 270,000 more websites than Amazon?
If your answer is IBM, you're among the well informed. The IBM Cloud offerings also support 30% more of the most popular websites than anyone else in the world. And our SoftLayer bare metal options allow cloud clients to run their most demanding apps on dedicated servers – without unwanted interference from their virtual neighbours. Start powering your cloud at ibm.com/getstarted/in or call us on toll free: 1800 425 3333.
This is Cloud on a Smarter Planet.
IBM
Amazon
270,000 and 30% data sourced from HostCabinet, as of 10/25/13. IBM, ibm.com, Let's build a Smarter Planet, Smarter Planet and their logos are trademarks of IBM Corp, registered in many jurisdictions worldwide. See current list at ibm.com/trademark. SoftLayer is a registered trademark of SoftLayer Technologies, Inc. ©International Business Machines Corp. 2013.

Ringing in the New

The challenges the awardees of new banking licences will face. By TEAM KPMG

The banking sector has been abuzz ever since the Reserve Bank of India (RBI) announced the guidelines for new banks. Boardroom discussions have centred on whether there is indeed a need for new banks, whether these would be able to compete with the pioneers in the industry, and how the coming of new banks would impact existing banks' balance sheets. Industry leaders are trying to work out the answers.

Currently, there are 26 public sector banks, 20 private sector banks and 43 foreign banks. These are complemented by 61 regional rural banks (RRBs) and more than 90,000 credit cooperatives.

Despite the impressive strides made by the financial sector in business expansion, profitability, return on assets (RoA) and competitiveness, vast segments of the population are still untouched by it. There is still a need to bridge the gap between the privileged and the underprivileged sections (see *Falling Short*).

Until now, financial inclusion had been the responsibility of public sector banks alone. But by using inclusive growth as one of the criteria for new licences (new banks have to open 25 per cent of their branches in rural areas), the RBI will have made the new private sector banks responsible as well. Currently, public sector banks have more branches than any other bank group in the rural and semi-urban areas.

So, what attracted the 26 applicants who have sought new banks licences? The fact that India is one of the top 10 economies of the world, with relatively low domestic credit to gross domestic product (GDP) ratio, and thus provides a great opportunity for the banking sector to grow. The sector is expected to become the fifth-largest by 2020 and the third-largest by 2025. Also, banking credit is likely to grow at a 17 per cent compound annual growth rate (CAGR) in the medium term (from 2011/12 to 2016/17), leading to increased credit penetration.

The new banks cannot survive by being mirror images of existing banks. They have to harness their knowledge based on products they are familiar with. The applicants are a diverse bunch including non-banking financial companies (NBFCs) engaged in asset or commodity-based financing, industrial houses (engineering, infrastructure, telecom, media, technology companies), services companies (transporters, distributors, exporters, import-

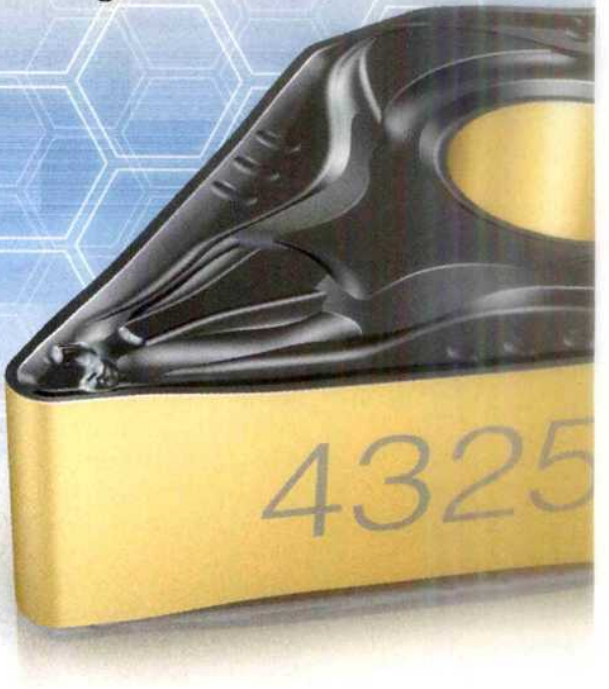
Inveio™
Uni-directional crystal orientation

SANDVIK
Coromant

New GC4325 for steel turning

Built to last longer

The first insert grade featuring **Inveio™**

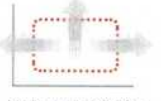


An innovation at the atomic level has changed the face of metal cutting. The finely controlled structure of its coating guarantees that GC4325 shows longer tool life and more reliable wear in the widest range of steel turning applications.

It redefines the performance possibilities of ISO P25 and is everything you ever needed in one single insert.

Outstanding predictability
We even use x-ray to ensure optimum quality standards

Superior endurance
Keeps your machine running at the maximum



Redefining 'ISO P25'
The widest steel turning application

See the whole story at:
www.sandvik.coromant.com/gc4325
Techline: 1800 233 2444

ers), all of them scattered across geographies. The successful transition from an NBFC to a bank, for instance, will depend on strong management, as it would be moving into new businesses with uncharted risk areas.

Good customer service is essential in the industry. The new banks will have to deliver on this score. What would, moreover, set them apart would be their ability to find the gaps between the saturated markets which existing banks may have ignored – especially the micro, small & medium enterprises (MSME) segment, women-led businesses, traders and middlemen in agriculture, wholesale banking, totally under-banked markets with unorganised professions or corporate banking – and use different operating models to reach out to these customers.

Last but not the least, the success of the new banks will depend on their ability to manoeuvre their way in rural areas with a cost-effective operating model, and develop strong ties with microfinance institutions and banking correspondents, which have proper governance control and local market knowledge.

As far as industrial houses go, the key reason for the regulator forbidding them from applying for licences earlier in 1993 and 2004 was corporate governance. This time, however, there are reasons to allow corporate houses into the banking sector. First, they have deep pockets. Many have other financial services businesses and are aware of their customers. The regulator has also provided a number of safeguards in the guidelines. The proposed non-operative financial holding company (NOFHC) structure is expected to ring-fence regulated financial service entities of the group (including the bank) from other group businesses.

The RBI will be comfortable about handing out licences to industrial houses if the latter have strong governance and strong risk management processes in place. New banks have to adhere to strong risk management processes to ensure there are no deviations from regulatory norms and they are not responsible for triggering systemic risk in the banking system.

The regional spread of banking services has remained skewed over decades. There is a mismatch between aggregation of deposits and deployment of credit, which needs to be addressed, with south India at one end (with the maximum credit) and the north-east region at the other (with the least). It will be interesting to watch for the regulator's strategy on regional and sectoral disparities and how new banks respond to that.

The regulator is also mulling over issuing differentiated licences. This could help new banks focus on niche lending and get regulatory treatment different than other banks. Some countries have a differentiated bank licensing regime where licences are issued specifically outlining the activities the licenced entity can undertake. Singapore, for instance, has five different kinds of licences – full bank, qualifying full bank (QFB), wholesale bank (WB), offshore bank, and representative bank – while Hong Kong has a three-tier structure based on licence, restricted licence, and deposit taking companies. Further, the regulator is also considering making bank licences available on tap to those who fulfil the necessary conditions, rather than grant licences only for a limited time.

It will be interesting to see how the banking landscape changes with the newcomers. Issuing new bank licences is just one aspect of larger financial sector reforms. Both the government and the new RBI Governor Raghuram Rajan are committed to financial services reforms. There could be significant policy level directions in the areas of consolidation and presence of foreign banks in India. There could even be complete reorientation of the banking structure (see *Fresh Paradigm*). ◆

FALLING SHORT

Banking services still have some way to go to become truly inclusive

145 mn
households have no access to banking

50%
of the population has no bank account

17%
of the population, no more, has any credit exposure

30,000
villages have commercial bank branches. Total no. of villages: 600,000

From a speech *Financial Inclusion and Financial Literacy – Indian Way* by K.C. Chakraborty, Deputy Governor, RBI

FRESH PARADIGM

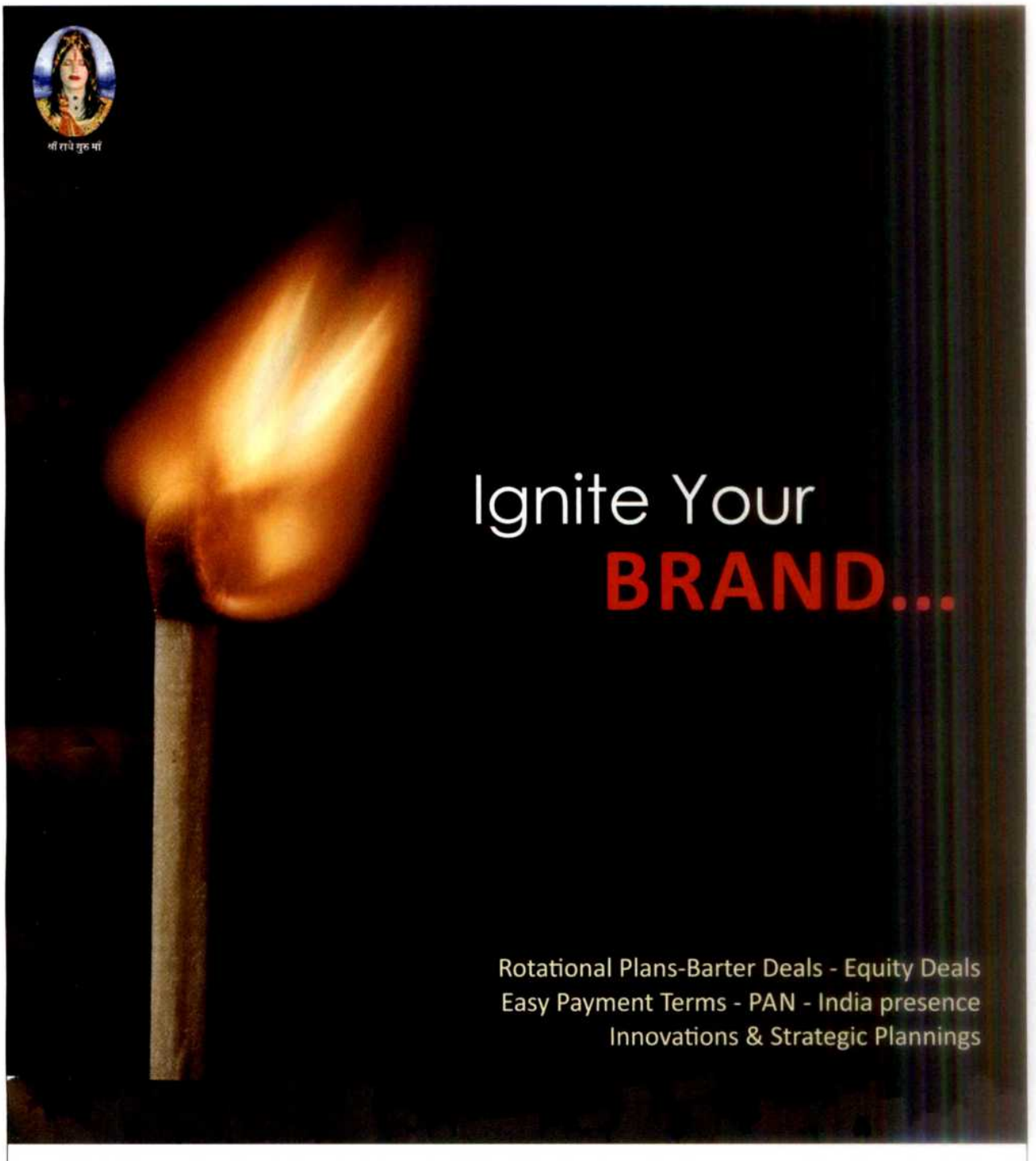
A reorientation of the banking structure should include four tiers:

▷Large Indian banks with domestic and international presence

▷Mid-sized banks, including niche banks

▷Old private sector banks, regional rural banks, multi-state urban cooperative banks

▷Small privately-owned local and cooperative banks



* HOARDINGS
* BUSES
* BUS SHELTERS

GLOBAL ADVERTISERS

* AIRPORT MEDIA
* RAILWAY MEDIA
* INNOVATIONS

Sanjeev Gupta 9820082849
www.globaladvertisers.in
info@globaladvertisers.in

State of Equality

It is not only private banks, a number of state-owned banks too now have women at the helm.

By ARPITA MUKHERJEE

DANESH JASSAWALA

Usha Ananthasubramanian, Chairperson and Managing Director, Bharatiya Mahila Bank

They have already smashed the glass ceiling in private sector banking in India. Now, Indian women are slowly but surely making their way to the top in public sector banks too. In the past year itself, five women have moved into the corner office at state-run banks in the country, joining a small club of women at the top of the banking industry across the world.

In November this year, Usha Ananthasubramanian took over as Chairperson and Managing Director of the country's first women's bank, Bharatiya Mahila Bank, soon after Arundhati Bhattacharya became the top boss of State Bank of India, the largest bank in India. In April, Archana Bhargava was elevated to the top job at United Bank of India while Vijayalakshmi R. Iyer became the head of Bank of India and Shubhalakshmi Panse became Chairman and Managing Director of Allahabad Bank last year.

Making it to the top is never easy for women in any field. But it's particularly hard in the public sector where women initially took up jobs to help support the family and held back from taking up more challenging roles. It took more than 30 years after bank nationalisation in 1969 for a woman to be appointed head of

GREAT OFFER

State Bank of India
THE BANKER TO EVERY INDIAN

HOME LOANS
@10.30%* p.a.

EMI/Lac
₹ 900

Quick Sanction

No Pre-payment Penalty

Easy Takeover

INDIA'S LARGEST HOME LOAN PROVIDER

	EMI in ₹/lac/month	
Period of Loan (Years)	**Upto ₹ 30 lacs @ 10.30% p. a.**	**Above ₹ 30 lacs @ 10.50% p. a.**
30	900	915
25	930	945
20	985	999
15	1,094	1,106

HURRY !!! CONTACT NEAREST BRANCH

*Interest rates linked to Bank's Base Rate

conditions apply

For details log on to : www. sbi.co.in or call 1800 11 22 11 / 1800 425 3800 (Toll free) / 080 26599990 or e-mail to : customercare.homeloans@sbi.co.in

a state-run bank. Ranjana Kumar became chairman and managing director of Indian Bank only in 2000. The numbers are still small, but have been gathering pace recently. Today, state-owned banks headed by women have a 45 per cent share of deposits and 50 per cent of advances of all public sector banks.

So, how have these women succeeded in climbing to the top of the ladder? Most of them say they had to walk the extra mile to prove themselves. "You need to have knowledge levels and you need to work 10 times harder than your male colleagues to prove yourself," says United Bank of India's Bhargava. Bank of India Chairperson and Managing Director Iyer agrees. "Once they know that here is a person who is good, the sailing becomes very smooth," she says.

POSITIVE BIAS

Recommendations of the Khandelwal Committee set up by the government to look into HR issues relating to women in public sector banks:

- **Public sector banks should draft policies to develop key banking skills among women**
- **Banks should make a special effort to groom women for higher level positions**
- **Women should be allowed a two-year sabbatical for personal reasons during their career**

It may have been tough for these women to get to the top, but even bigger challenges lie ahead. Many state-run banks are struggling with mounting non-performing assets (NPAs) and declining profits. State Bank of India, for example, is facing deteriorating asset quality. When Bhattacharya took over as the first woman chairman in the bank's 206-year-old history, she said her top priority would be to intensify the war on bad loans. They stood at 2.91 per cent of total advances at the end of the quarter ended September, the highest in four years. State Bank of India's net NPAs were 1.82 per cent of total advances in 2011/12 and 2.10 per cent in 2012/13.

Iyer of Bank of India also has to fight multiple battles. Her bank's bad loans rose to 2.35 per cent of advances in 2012/13 from 1.47 per cent the previous year while its capital adequacy ratio of 11.02 per cent is the lowest among large banks. Allahabad Bank too has among the highest net NPAs at 3.19 per cent of total loans. United Bank of India headed by Bhargava is lagging its peers in profitability: its return on assets is the lowest at 0.34 per cent while return on capital is also a low 4.75 per cent compared with, say, Syndicate Bank's 20.47 per cent.

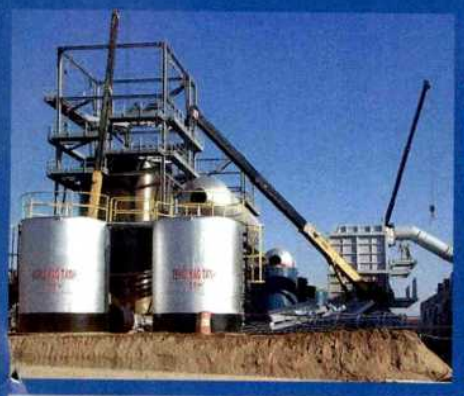
But financial turnaround is not their only priority. Experts say the new female chiefs will also focus on making state banks more attractive for women, who often prefer private banks. Public sector banks may offer job security but they are hobbled by lower salaries. "We do not always have a very level playing field in terms of pay structures. We can only offer a slightly higher level of post," says Bank of India's Iyer.

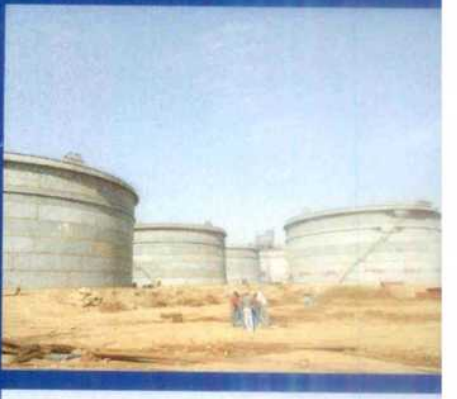
While some women have come up the

NISHIKANT GAMRE

Vijayalakshmi R. Iyer,
Chairperson and Managing Director, Bank of India
"Once they know that here is a person who is good, the sailing becomes very smooth"

INNOVATION @work!





Fernas Construction India, the flagship company of Fernas Group, Turkey is diversified global conglomerate providing integrated Engineering, Procurement, Project Management & Construction Services in Oil & Gas, Infrastructure and Power sector.

OIL & GAS | POWER PLANTS | IRRIGATION | ROADS | MINING | HYDEL PROJECTS

Fernas Construction India Pvt Ltd.

A wholly owned subsidiary of Fernas Construction Company Inc., Turkey.

Cyber Terrace Building No-5, Tower-B, 16th Floor, Phase –III, DLF Cyber City, Gurgaon, Haryana-122001, India.

Tel: +91 124 4937900, Fax: +91 124 4937920 www.fernas.com.tr

NISHIKANT GAMRE

Arundhati Bhattacharya
Chairman, State Bank of India
"The ratio (of women joining at the entry level) has already become much better ... The only thing we have to ensure is that these women stay the course and don't leave."

ranks and gone on to occupy the corner office in state banks, they are few and far between. One problem keeping them from reaching the top in state-run banks is their limitation in mobility. Experts say many women, however capable, often refuse promotions because they involve either moving to far-flung areas or leaving their families. Another stumbling block is the perception that they lack the necessary skills and drive to make it to the top. "The ratio (of women joining at the entry level) has already become much better ... The only thing we have to ensure is that these women stay the course and don't leave," says State Bank of India Chairman Bhattacharya.

STILL TOO FEW Women bank employees in India

	Number	% of total positions
Executives	326	2.66
Officers	18,583	10.87
Clerks	47,722	26.50
Sub-staff	11,403	12.03
Total	78,034	17.03

Source: IBA and Questionnaire/ March 2009

In 2009, the government appointed a committee to look at human resource issues of public sector banks under the chairmanship of former Bank of Baroda Chairman and Managing Director Anil Khandelwal. The Khandelwal Committee made some far-reaching recommendations, some of which were accepted by banks and the government. According to the committee's report published in 2010, at that time women accounted for only 17 per cent of employees in state-run banks, and only 2.7 per cent of women were in executive positions. "Most women quit mid-way. Quitting does not mean resignation, but quitting the career itself," says Khandelwal. "With counseling, I could pursuade some women but there are times when they also need mentorship and confidence."

However, times are changing and many women bankers have earned their spurs by tackling seemingly insurmountable challenges. United Bank of India's Bhargava, for example, faced aggressive unions when she was posted in the Fort area branch in Mumbai in 1998. "Though initially it was very tough for me to grapple with them, it really was a turning point because it brought out the best in me," she says. "There is higher acceptability today of the fact that a woman colleague can earn as much, or even more, and can be more competent and more capable. All that is making a big change."

Experts say a growing number of talented women is joining state-run banks. "Even in general banking, women with a finance background are coming in and they want to pursue their careers," says Khandelwal. He recalls a young girl came up to him once and said she wanted to be the Chanda Kochhar of Bank of Baroda. Kochhar is Chairman and Managing Director of ICICI Bank.

Some experts have wondered if the trend of female heads will be sustained at state banks. Senior women bankers are optimistic. "The pipeline should have a lot of youngsters coming in now," says Ananthasubramanian. "I am sure it will happen. Maybe not immediately, but in the next 10 years or so." ◆

@arpitamukherjee

Global warming isn't only
about rising mercury levels,
but also about the rise in human suffering.
At Al Jazeera, we put people at the heart of journalism. We believe every story has a human side which deserves to be told. We go beyond cold facts and bring to light what really matters.
ALJAZEERA
Every story has a human side
Watch on Dishtv ch. 618 & Tata Sky ch. 518
www.aljazeera.com
O&M 9145

How the Banks Were Ranked

The data to rank the banks was taken from published annual reports of the banks as well as the Reserve Bank of India's 'Profile of Banks, 2012/13'. The data considered was for the period 2009/10 to 2012/13. The ranking covers 65 scheduled commercial banks that provided their annual reports at the time of conducting the study. Scheduled commercial banks whose financial statements were not made available to us or have not yet completed four years of operations, did not qualify for the study. For banks having zero non-performing assets (NPAs), the provision coverage ratio was considered to be 100 per cent, thus assigning them the highest rank in that category.

The three broad ranking parameters – divided into 29 sub-parameters – were as follows:

Growth:

There were five sub-parameters in this category. They were: (a) growth over 2011/12 in deposits, alongside three-year compound annual growth rate (CAGR) of total deposits; (b) growth over 2011/12 in loans and advances, together with three-year CAGR in loans and advances; (c) growth over 2011/12 in fee income (commissions, exchange, brokerage plus miscellaneous income) alongside three- year CAGR in fee income; (d) growth in operating profit over 2011/12 together with three- year CAGR in operating profit; and (e) absolute increase in market share of deposits and of current account savings account (CASA).

Size:

The sub-parameters were three: size of total deposits, size of operating profit and size of balance sheet for 2012/13.

Strength:

There were four overarching sub-parameters, each with further sub-divisions.

Quality of Assets: Total NPA growth ratio: additions to NPAs during the year as a percentage of average net advances; NPA coverage: provisions for NPAs as a percentage of gross NPA closing balance; net NPAs as a ratio of net advances; gross NPAs net of provisions as a percentage of net advances; restructured assets as a ratio of total average loans and advances; standard restructured assets as a percentage of total average loans and advances; outstanding restructured assets as a ratio of outstanding loans and advances; outstanding restructured assets as on March 31 as a percentage of outstanding loans and advances. The outstanding restructured assets ratio is a new parameter introduced this year.

Productivity and efficiency: Cost to income ratio: operating expenditure as a percentage of operating income; cost to average asset ratio: operating expenditure as a percentage of average assets; operating profit per employee: operating profit divided by total number of employees; absolute increase in return on assets: basis points increase in return on assets (net profit over total assets) from 2011/12 to 2012/13; percentage increase in ratio of operating profit to total income from 2011/12 to 2012/13.

Quality of earnings: Return on assets: ratio of net profit to total assets for 2012/13; fee income as a percentage of total income; return on capital employed: reported net profit divided by average net worth; net interest income as a percentage of average working funds.

Capital adequacy: Capital adequacy ratio: capital-to-risk weighted assets ratio for 2012/13; Tier-I Capital: total of equity capital and disclosed reserves.

KPMG

The Process:

The banks were grouped in four sets.

Set A: 29 banks with balance sheet size higher than or equal to ₹100,000 crore;
Set B: 21 banks with more than 10 branches and balance sheet size less than ₹100,000 crore;
Set C1: Six banks with 10 or less branches and balance sheet size more than or equal to ₹10,000 crore;
Set C2: Nine banks with less than 10 branches and balance sheet size less than ₹10,000 crore.

To compute a bank's total score, it was assigned a score for each of the 29 sub-parameters. The score under each parameter was multiplied by the parameter's weightage. The results were aggregated to arrive at the total score. ◆

Harvard Business Review

Stand tall. **Above all.**

INDIA TODAY GROUP

Preferred by **Smart, Driven** and **Successful** professionals - from young managers to CEOs, and entrepreneurs.

How about you?

Subscription Benefits

- ✓ Save up to 61%* on the cover price
- ✓ HBRSA, Same editorial content as the U.S. edition
- ✓ Unlimited access# to online archives of over 25 year of past HBR issues
- ✓ Get complimentary access to 4 live webinars worth ₹6000/- with renowned global thought leaders

*On 3 Year Print only Subscription
With Premium Subscription only

For quicker service, log on to **www.hbrsasia.org**

SUBSCRIPTION FORM

ES! Please enroll my subscription to Harvard Business Review - South Asia for the term indicated below:

SELECT YOUR TERM	ISSUES	PRICE	SAVE	OFFER PRICE	GIFT
☐ 3 year Premium (Print + Online) Access to HBR archives online	36	₹34,500	51%	₹16,900	2 HBR Essential Series Book worth Rs.990/- • Decision Making: 5 Steps to Better Results • Time Management : Increase your Personal Productivity and Effectiveness
☐ 3 year Print only	36	₹27,000	61%	₹10,400	
☐ 2 year Premium (Print + Online) Access to HBR archives online	24	₹23,000	49%	₹11,700	
☐ 2 year Print only	24	₹18,000	60%	₹7,200	
☐ 1 year Premium (Print + Online) Access to HBR archives online	12	₹11,500	43%	₹6,500	
☐ 1 year Print only	12	₹9,000	56%	₹4,000	

me (Mr./Ms.) _____

dress _____

☐ Home ☐ Office

_____ Post Code _____ Tel (H) _____

_____ Fax _____ Email _____ ☐ New ☐ Renew _____

(please indicate your customer number)

oose one:

Charge my credit card: ☐ VISA ☐ ☐

Card No. _____ Expiry _____ Signature _____

Enclosed is my ☐ Cheque ☐ DD No. _____ (in favour of Living Media India Ltd. For non-Delhi cheques please add ₹50)

Please tick this box to authorise HBR SA to get in touch with you.

s authorises HBR SA to communicate about its products & promotions through mail/phone/printed material / email etc. *This authorisation is irrespective of my instruction elsewhere of not to be contacted or informed over phone/email/mail etc.

rvard Business Review is published monthly, except for the Jan/Feb & July/August double issues which count as 2 issues each.

cription Terms & Conditions: Harvard Business Review South Asia Cover price is ₹750/- •Savings are off the cover price •Special rates and offer valid in India for a limited period only •Allow 4-6 weeks for processing of your subscription and dispatch e free gift.•Add ₹50/- for non-Delhi cheques •It will not be possible to entertain any cancellation once the free gift has been dispatched. •**Superscribe your name and address on the reverse of the cheque/DD** •All disputes are subject to the exclusive liction of competent courts and forums in Delhi/New Delhi only •HBR SA will not be responsible for any postal delays, transit losses or mutilation of the subscription form •By filling the subscription form, the subscriber understands and agrees to all the s and conditions of the offer •Terms & conditions apply.

4 EASY WAYS TO CONTACT US (0120) 2479945 Toll Free No.: 1800-1800-100 | hbrcare@intoday.com | SMS 'HBRSA' to 52424 | A-61, Sector-57, NOIDA-201301 (U.P.)

THE 2013 RANKINGS

GROUP-I LARGE BANKS Balance sheet size more than or equal to ₹100,000 crore

RANKS 2012/13	RANKS 2011/12	BANK	GROWTH (%) DEPOSITS 1-year Growth	DEPOSITS 3-year Growth	LOANS & ADVANCES 1-year Growth	LOANS & ADVANCES 3-year Growth	FEE INCOME 1-year Growth	FEE INCOME 3-year Growth	OPERATING PROFIT 1-year Growth	OPERATING PROFIT 3-year Growth	INCREASE IN MARKET SHARE (BASIS POINTS) Deposits	INCREASE IN MARKET SHARE (BASIS POINTS) CASA	SIZE (₹ CR) Deposits	Operating Profit	Balance Sheet
1	2	HDFC Bank	20.08 5	20.96 6	22.67 2	23.97 2	15.88 8	21.77 5	21.69 6	21.13 9	0.17 3	0.17 4	2,96,246.98 6	11,427.63 3	4,00,331.90 7
2	3	Axis Bank	14.77 16	21.37 5	16.03 17	23.59 3	14.01 10	24.21 2	25.20 4	21.08 10	-0.01 16	0.31 2	2,52,613.59 9	9,303.13 5	3,42,315.67 8
3	5	ICICI Bank	14.53 17	13.15 22	14.39 19	17.00 21	0.83 20	3.10 24	27.08 3	10.69 21	-0.02 17	-0.17 25	2,92,613.63 7	13,199.23 2	5,36,794.68 3
4	1	Bank of Baroda	23.13 3	25.27 1	14.20 20	23.31 5	3.34 18	9.22 15	4.88 19	22.17 8	0.42 1	0.07 7	4,73,883.34 2	8,999.15 6	5,47,135.44 2
5	NA	Bank of Maharashtra	23.27 2	14.22 19	34.63 1	23.25 6	20.88 5	26.30 1	41.81 1	38.17 1	0.09 7	0.10 5	94,336.93 24	2,148.71 24	1,16,952.91 23
6	8	IDBI Bank	7.90 25	10.65 26	8.71 26	12.41 28	46.03 2	20.24 6	34.79 2	26.03 5	-0.20 27	-0.04 19	2,27,116.47 10	5,458.25 10	3,22,768.51 9
7	14	Citibank N.A.	2.88 27	6.92 28	10.47 24	12.39 29	0.03 21	3.55 23	23.29 5	9.16 23	-0.11 24	-0.21 27	66,559.38 27	4,280.42 12	1,28,380.99 21
8	12	Corporation Bank	21.94 4	21.42 4	18.16 8	23.38 4	20.10 6	14.21 9	6.34 16	12.43 19	0.13 4	0.06 8	1,66,005.45 17	3,037.01 21	1,93,442.33 17
9	18	Syndicate Bank	17.36 10	16.57 12	19.37 6	17.74 18	11.24 12	10.94 12	3.07 20	22.56 7	0.05 8	-0.05 21	1,85,355.89 13	3,449.59 15	2,15,122.33 13
10	7	State Bank of India	15.24 13	14.36 18	20.52 4	18.28 16	-4.22 25	5.49 22	-1.56 23	19.27 11	0.03 10	0.20 3	12,02,739.57 1	31,081.72 1	15,66,261.04 1
11	11	Bank of India	19.99 6	18.45 9	16.29 15	19.75 12	15.22 9	17.24 8	11.42 13	16.60 13	0.21 2	0.04 10	3,81,839.59 4	7,458.50 7	4,52,602.72 5
12	19	Standard Chartered	-3.07 28	8.76 27	11.49 22	14.24 26	-15.64 28	-9.27 28	9.27 14	4.49 26	-0.16 25	-0.23 28	62,001.67 28	4,917.42 11	1,19,757.97 22
13	15	State Bank of Hyderabad	14.78 15	15.80 15	16.62 12	19.37 13	24.93 4	19.17 7	5.11 18	17.46 12	0.00 15	0.05 9	1,13,324.26 20	2,788.44 22	1,36,078.06 20
14	16	Union Bank of India	18.35 8	15.76 16	16.99 10	20.37 11	-0.18 22	11.98 10	6.26 17	15.12 16	0.10 6	0.08 6	2,63,761.57 8	5,582.70 9	3,11,860.81 10
15	22	Oriental Bank of Commerce	12.78 20	13.51 21	15.16 18	15.59 24	50.83 1	24.21 3	17.52 8	15.08 17	-0.05 21	0.01 11	1,75,897.52 15	3,690.69 14	2,00,697.21 15
16	4	Punjab National Bank	3.15 26	16.24 13	5.09 27	18.27 17	-3.66 24	8.61 16	2.76 21	14.19 18	-0.61 29	0.01 12	3,91,560.06 3	10,907.37 4	4,78,877.04 4
17	9	HSBC	-7.42 29	0.66 29	0.55 29	15.01 25	-20.71 29	-13.28 29	-6.70 25	-1.42 29	-0.19 26	-0.23 29	56,866.00 29	3,292.12 18	1,06,170.45 28

Five banks saw their balance sheet size cross the ₹100,000-crore mark in the past year and have thus been shifted from 'mid-sized' to large. These are Bank of Maharashtra, Dena Bank , State Bank of Travancore, Vijaya Bank and State Bank of Patiala; Three-year growth is Compound Annual Growth Rate (CAGR); This year, a new parameter has been added under quality of assets to outstanding loan and advances - ORA(outstanding restructuring advances). Total parameters are now 29 against 28 last year. Values in each parameter

IDBI Bank has the lowest cost to income ratio at 0.36

STRENGTH																
QUALITY OF ASSETS					PRODUCTIVITY AND EFFICIENCY					QUALITY OF EARNINGS				CAPITAL ADEQUACY		
Total NPA Growth Ratio (%)	NPA Coverage (%)	Net NPA/Net Advances (%)	RA/ Avg. Loans* (%)	ORA Outstanting Loan and Advances	Cost/ Income Ratio	Cost/ Avg. Asset Ratio	Operating Profit/ Employee (Basis Points)	Increase in Return on Assets	Increase in Operating Profit/Total Income (%)	Return on Assets (%)	Fee Income/ Total Income (%)	ROCE (%)	Net Interest Income/AWF (Basis Points)	Capital Adequacy Ratio (%)	TIER I (%)	TOTAL SCORE▼
0.855 2	79.91 5	0.20 2	0.001 2	0.220 3	0.50 26	3.04 29	0.16 15	0.0085 2	-2.29 11	1.68 4	13.03 3	20.34 2	0.0475 2	16.80 4	11.08 5	2,293.13
1.103 3	79.15 6	0.36 4	1.36 6	2.47 6	0.43 12	2.20 25	0.25 5	0.0003 10	1.74 7	1.51 6	15.72 2	18.53 3	0.0318 8	17.00 3	12.23 4	2,248.25
1.319 5	76.78 7	0.77 6	0.67 5	2.39 5	0.41 7	1.76 22	0.21 6	0.0023 4	7.72 2	1.55 5	11.63 4	13.10 18	0.0289 11	18.74 1	12.80 3	2,042.50
2.224 12	68.24 12	1.28 8	2.40 9	6.89 18	0.40 5	1.20 4	0.21 7	-0.0030 27	-10.60 22	0.82 13	5.60 19	15.07 12	0.0234 23	13.30 7	10.13 8	1,942.13
1.228 4	83.70 1	0.00 1	2.96 12	6.14 11	0.46 18	1.73 20	0.16 17	0.0018 6	5.82 3	0.65 19	6.68 14	13.66 15	0.0301 10	12.59 13	7.57 28	1,783.13
1.454 6	70.83 9	1.58 13	5.26 26	6.91 19	0.36 1	1.02 1	0.35 4	0.0009 9	21.43% 1	0.58 23	9.16 8	9.26 25	0.0180 29	13.13 8	7.68 27	1,742.13
2.102 11	81.56 3	1.47 11	0.03 3	0.15 2	0.40 6	2.25 26	0.79 1	0.0062 3	3.49 6	2.12 2	9.18 7	16.30 6	0.0459 3	15.90 5	14.81 2	1,737.88
1.640 8	62.10 19	1.19 7	3.28 15	6.35 14	0.40 4	1.12 2	0.20 8	-0.0018 19	-8.92 17	0.74 14	6.88 12	16.08 8	0.0197 27	12.33 17	8.33 20	1,729.38
1.580 7	83.41 2	0.76 5	4.14 19	6.18 12	0.48 23	1.60 17	0.13 25	0.0021 5	-7.92 14	0.93 9	5.26 24	20.47 1	0.0282 13	12.59 13	8.96 15	1,707.88
3.344 23	66.58 13	2.10 18	2.24 8	4.12 8	0.49 24	2.02 24	0.14 22	0.0002 11	-12.31 24	0.90% 11	9.26 6	15.42 11	0.0325 7	12.92 11	9.49 11	1,696.25
2.742 16	60.92 22	2.35 23	3.18 14	6.63 16	0.42 8	1.27 5	0.18 11	-0.0009 17	-0.68% 9	0.61 21	7.37 9	12.25 20	0.0222 25	11.02 29	8.20 22	1,656.50
2.897 18	73.97 8	1.63 16	0.43 4	0.90 4	0.37 2	2.41 28	0.68 3	0.0105 1	0.45 8	2.47 1	17.77 1	17.78 4	0.0528 1	13.00 10	10.45 7	1,596.25
3.375 24	65.00 15	1.93 17	2.58 11	4.18 9	0.43 16	1.65 18	0.18 10	-0.0018 18	-8.62 15	0.92 10	7.27 10	17.70 5	0.0330 5	12.36 16	9.25 12	1,583.50
2.059 10	65.21 14	1.61 14	2.08 7	5.59 10	0.45 17	1.57 16	0.18 12	0.0001 13	-9.86 20	0.69 17	5.48 20	13.52 16	0.0269 14	11.45 24	8.23 21	1,573.38
2.667 15	63.00 16	2.25 20	4.48 21	10.80 28	0.42 9	1.41 10	0.20 9	0.0002 12	3.53 5	0.66 18	6.93 11	10.74 24	0.0255 16	12.04 18	9.18 13	1,564.38
2.870 17	58.83 25	2.34 22	4.66 22	10.41 26	0.43 14	1.74 21	0.17 13	-0.0008 15	-9.34 18	0.99 7	6.79 13	15.70 10	0.0327 6	12.72 12	9.76 10	1,530.00
0.542 1	81.43 4	0.33 3	0.00 1	0.11 1	0.43 15	2.29 27	0.77 2	0.0000 14	-9.83 19	1.82 3	9.82 5	12.84 19	0.0457 4	17.10 2	15.70 1	1,430.25

are rounded off; NA: Not Applicable; NPA: Non-Performing Assets. CASA: Current Account Savings Account; AWF: Average Working Fund; ROCE: Return on Capital Employed; The 2012 rankings were carried in the December 9, 2012 issue; *Restructured assets/Total average loans and advances; For explanation of parameters and how the total score was arrived at, see *How Banks Were Ranked*, page 104

LARGE BANKS

THE 2013 RANKINGS

GROUP-I LARGE BANKS Balance sheet size more than or equal to ₹100,000 crore

RANKS 2012/13	2011/12	BANK	GROWTH (%) DEPOSITS 1-year Growth	DEPOSITS 3-year Growth	LOANS & ADVANCES 1-year Growth	LOANS & ADVANCES 3-year Growth	FEE INCOME 1-year Growth	FEE INCOME 3-year Growth	OPERATING PROFIT 1-year Growth	OPERATING PROFIT 3-year Growth	INCREASE IN MARKET SHARE (BASIS POINTS) Deposits	INCREASE IN MARKET SHARE (BASIS POINTS) CASA	SIZE (₹ CR) Deposits	SIZE (₹ CR) Operating Profit	SIZE (₹ CR) Balance Sheet
18	13	Andhra Bank	16.95 11	16.80 11	18.20 7	20.58 10	13.23 11	9.45 14	-1.70 24	15.20 15	0.03 12	-0.01 14	1,23,795.58 19	2,757.23 23	1,46,298.95 19
19	NA	Dena Bank	25.97 1	23.71 2	16.03 16	22.87 7	-5.14 26	2.00 27	13.77 10	27.42 4	0.11 5	-0.09 23	97,207.15 22	1,738.87 26	1,13,440.42 25
20	23	UCO Bank	12.62 21	12.31 23	11.03 23	15.85 23	7.36 14	2.06 26	19.41 7	25.32 6	-0.10 23	0.67 1	1,73,431.05 16	3,357.09 17	1,98,651.40 16
21	10	Indian Bank	17.53 9	17.19 10	16.96 11	19.35 14	4.54 17	5.75 21	-11.60 29	3.67 27	0.04 9	-0.12 24	1,41,980.16 18	3,061.35 20	1,62,822.60 18
22	20	Indian Overseas Bank	13.28 18	22.19 3	13.96 21	26.62 1	9.29 13	22.88 4	8.00 15	27.43 3	-0.04 20	-0.01 15	2,02,135.35 12	3,817.01 13	2,44,656.03 12
23	17	Canara Bank	8.81 24	14.89 17	4.17 28	12.67 27	-5.20 27	2.94 25	-0.90 22	5.19 25	-0.27 28	-0.20 26	3,55,855.99 5	5,889.69 8	4,12,342.61 6
24	NA	State Bank of Travancore	18.40 7	18.48 8	21.93 3	20.61 9	5.16 16	8.21 17	14.35 9	11.59 20	0.03 11	-0.02 16	84,623.72 26	1,351.01 28	1,01,579.32 29
25	24	Central Bank of India	15.22 14	11.72 24	16.56 13	17.72 19	37.79 3	10.05 13	12.74 11	15.52 14	0.01 14	-0.04 20	2,26,038.31 11	3,173.57 19	2,68,137.68 11
26	21	United Bank of India	12.94 19	13.86 20	9.30 25	17.64 20	7.00 15	11.14 11	12.09 12	32.77 2	-0.02 18	-0.06 22	1,00,651.54 21	2,049.91 25	1,14,615.11 24
27	NA	Vijaya Bank	16.81 12	16.14 14	20.49 5	18.90 15	16.80 7	6.93 19	-8.78 27	2.01 28	0.02 13	-0.02 17	97,017.24 23	1,122.02 29	1,10,981.75 26
28	6	Allahabad Bank	12.00 22	19.00 7	16.51 14	21.83 8	2.22 19	7.38 18	-10.20 28	9.93 22	-0.06 22	-0.03 18	1,78,741.60 14	3,385.22 16	2,04,373.19 14
29	NA	State Bank of Patiala	11.65 23	11.16 25	17.26 9	16.77 22	-2.83 23	5.76 20	-8.14 26	7.38 24	-0.04 19	0.001 13	88,672.08 25	1,619.34 27	1,08,550.63 27

GROUP-II MID-SIZED BANKS Balance sheet size less than ₹100,000 crore,

1	1	YES Bank	36.22 2	35.69 2	23.72 7	28.42 7	30.45 4	33.69 4	39.05 3	35.37 5	0.14 1	0.17 1	66,955.59 3	2,141.69 2	99,104.13 1
2	2	IndusInd Bank	27.75 5	26.54 5	26.40 3	29.20 6	34.99 3	35.23 2	34.04 5	37.77 3	0.07 3	0.11 2	54,116.72 7	1,840.47 3	73,306.52 5
3	7	Kotak Bank	32.42 3	28.79 4	24.03 6	32.63 3	17.83 8	20.85 10	30.31 6	18.47 12	0.09 2	0.03 3	51,028.77 8	2,156.61 1	83,693.69 3
4	4	J&K Bank	20.38 9	19.92 11	18.51 10	19.35 15	10.39 11	15.52 11	29.40 8	23.65 10	0.04 5	0.02 6	64,220.62 4	1,811.45 5	71,732.72 6

Three-year growth is Compound Annual Growth Rate (CAGR); Values in each parameter are rounded off; NA: Not Applicable; NPA: Non-Performing Assets

Central Bank of India has the highest outstanding restructured assets at 13%

#BTBestBanks

STRENGTH																
QUALITY OF ASSETS					PRODUCTIVITY AND EFFICIENCY					QUALITY OF EARNINGS				CAPITAL ADEQUACY		
Total NPA Growth Ratio (%)	NPA Coverage (%)	Net NPA/Net Advances (%)	RA/ Avg. Loans* (%)	ORA Outstanting Loan and Advances	Cost/ Income Ratio	Cost/ Avg. Asset Ratio	Operating Profit/ Employee (Basis Points)	Increase in Return on Assets	Increase in Operating Profit/Total Income (%)	Return on Assets (%)	Fee Income/ Total Income (%)	ROCE (%)	Net Interest Income/AWF (Basis Points)	Capital Adequacy Ratio (%)	TIER I (%)	TOTAL SCORE▼
3.020 21	49.60 28	2.45 24	4.47 20	9.85 25	0.42 11	1.50 12	0.17 14	-0.0020 22	-14.08 25	0.88 12	5.44 21	16.19 7	0.0284 12	11.76 20	8.52 17	1,306.88
1.829 9	69.60 10	1.39 10	3.05 13	7.59 21	0.43 13	1.29 6	0.16 18	-0.0020 23	-12.17 23	0.71 15	4.27 28	15.83 9	0.0242 19	11.03 27	7.26 29	1,282.00
4.234 28	52.08 26	3.36 29	7.94 29	6.93 20	0.39 3	1.15 3	0.14 20	-0.0030 28	5.20 4	0.31 28	3.91 29	6.76 28	0.0249 17	14.15 6	9.06 14	1,263.38
2.952 19	60.10 23	2.26 21	4.70 23	9.19 23	0.47 22	1.81 23	0.16 16	-0.0026 25	-21.60 29	0.97 8	6.47 15	13.89 14	0.0309 9	13.08 9	10.88 6	1,238.00
3.720 25	58.89 24	2.51 25	5.25 25	9.49 24	0.47 21	1.47 11	0.13 23	-0.0025 24	-6.68 13	0.23 29	6.36 16	4.47 29	0.0232 24	11.85 19	7.80 26	1,231.13
2.452 13	61.35 21	2.18 19	5.70 27	8.73 22	0.47 19	1.31 7	0.14 21	-0.0018 20	-10.09 21	0.70 16	5.29 23	12.07 21	0.0206 26	12.40 15	9.77 9	1,206.63
3.919 27	62.00 20	1.50 12	2.57 10	3.54 7	0.51 27	1.53 13	0.11 27	0.0009 8	-8.77 16	0.61 22	5.35 22	14.94 13	0.0236 22	11.70 21	8.46 18	1,176.13
3.209 22	47.75 29	2.90 27	3.99 18	13.19 29	0.57 29	1.70 19	0.09 29	0.0015 7	-1.56 10	0.38 26	5.19 25	7.34 26	0.0239 20	11.49 23	8.09 23	1,087.63
3.766 26	62.50 18	2.86 26	3.50 17	6.61 15	0.42 10	1.39 9	0.13 24	-0.0028 26	-5.55 12	0.34 27	4.75 26	6.84 27	0.0236 21	11.66 22	8.40 19	1,057.50
2.509 14	68.30 11	1.30 9	3.41 16	6.31 13	0.55 28	1.32 8	0.09 28	-0.0008 16	-19.58 26	0.53 25	4.48 27	10.83 23	0.0185 28	11.32 25	8.54 16	1,019.88
4.897 29	50.00 27	3.19 28	6.52 28	10.67 27	0.47 20	1.53 14	0.15 19	-0.0044 29	-20.13 27	0.58 24	5.75 18	10.84 22	0.0257 15	11.03 27	8.05 24	940.88
2.975 20	62.60 17	1.62 15	4.75 24	6.69 17	0.50 25	1.54 15	0.11 26	-0.0019 21	-21.05 28	0.61 20	5.90 17	13.17 17	0.0247 18	11.12 26	8.02 25	843.13

and more than 10 branches

0.57 3	92.59 3	0.01 1	0.02 6	0.39 7	0.38 3	1.54 4	0.30 4	-0.0001 10	4.30 8	1.31 6	10.84 5	24.81 1	0.03 15	18.30 18	9.50 15	1,728.78
1.13 8	70.13 11	0.31 7	0.20 8	0.36 5	0.49 11	2.68 17	0.16 6	0.0006 6	2.31 10	1.45 4	11.53 4	17.20 6	0.04 5	15.36 15	13.78 4	1,583.78
1.06 7	68.21 12	0.64 10	0.01 5	0.12 3	0.51 12	2.96 19	0.16 7	-0.0003 11	1.34 12	1.63 2	9.23 9	15.65 8	0.04 2	16.05 16	14.71 2	1,499.68
1.26 9	94.01 2	0.14 4	2.52 16	3.80 12	0.35 1	1.50 3	0.19 5	0.0009 5	1.62 11	1.47 3	4.61 19	23.91 2	0.04 4	12.83 13	10.86 11	1,433.08

MID-SIZED BANKS

THE 2013 RANKINGS

GROUP-II MID-SIZED BANKS Balance sheet size less than ₹100,000 crore, and more than 10 branches

RANKS 2012/13	RANKS 2011/12	BANK	GROWTH (%) DEPOSITS 1-year Growth	DEPOSITS 3-year Growth	LOANS & ADVANCES 1-year Growth	LOANS & ADVANCES 3-year Growth	FEE INCOME 1-year Growth	FEE INCOME 3-year Growth	OPERATING PROFIT 1-year Growth	OPERATING PROFIT 3-year Growth	INCREASE IN MARKET SHARE (BASIS POINTS) Deposits	INCREASE IN MARKET SHARE (BASIS POINTS) CASA	SIZE (₹ CR) Deposits	Operating Profit	Balance Sheet
5	6	Deutsche Bank AG	23.46 7	12.27 20	78.30 1	20.08 13	(15.06) 18	3.95 18	20.95 14	17.01 13	0.02 9	-0.10 21	20,794.31 13	1,821.77 4	40,492.38 14
6	9	City Union Bank	24.26 6	25.45 7	25.61 4	30.67 4	29.32 5	34.77 3	22.57 13	26.96 8	0.02 8	0.00 11	20,304.76 14	523.45 15	22,977.08 16
7	10	South Indian Bank	21.26 8	24.36 8	16.62 13	26.22 8	38.62 2	31.33 5	30.25 7	27.38 7	0.03 6	0.00 10	44,262.30 9	848.59 12	50,245.03 10
8	8	Karur Vysya Bank	20.37 10	26.11 6	23.09 8	29.91 5	19.41 7	25.88 7	16.96 15	22.37 11	0.02 7	0.02 5	38,652.98 11	848.83 11	46,733.34 11
9	5	Ratnakar Bank	75.99 1	73.93 1	54.30 2	75.96 1	46.67 1	92.70 1	36.46 4	67.35 2	0.04 4	0.02 4	8,340.52 21	156.69 18	12,963.36 20
10	13	ING Vysya Bank	17.39 13	16.91 13	10.62 18	19.74 14	3.68 14	6.46 15	29.27 9	15.64 14	0.01 13	-0.01 16	41,334.00 10	992.69 9	54,836.44 9
11	12	Federal Bank	17.73 12	16.91 14	16.79 12	17.84 16	3.49 15	-0.03 20	-2.77 20	5.05 19	0.02 10	0.01 8	57,614.86 5	1,466.12 7	71,049.57 7
12	20	Development Credit Bank	32.01 4	20.44 10	24.63 5	23.94 10	15.47 9	5.50 16	50.48 2	37.74 4	0.01 12	0.00 12	8,363.84 20	126.13 19	11,278.82 21
13	21	Karnataka Bank	14.07 16	14.96 17	21.65 9	20.42 12	22.83 6	22.14 9	24.53 11	34.55 6	0.00 16	0.00 9	36,056.22 12	635.34 14	41,526.38 12
14	15	State Bank of Bikaner & Jaipur	17.12 14	16.12 16	16.84 11	17.82 17	5.07 13	8.37 13	15.18 16	23.82 9	0.02 11	-0.02 17	72,116.22 1	1,715.67 6	86,016.83 2
15	3	DBS Bank	19.85 11	32.64 3	7.89 19	51.12 2	(22.09) 19	27.36 6	1.97 19	6.52 18	0.0085 14	0.0120 7	15,487.63 16	663.95 13	40,708.14 13
16	23	State Bank of Mysore	13.52 17	13.58 18	12.80 16	15.01 20	5.93 12	10.04 12	25.61 10	12.40 16	-0.01 18	-0.02 18	56,969.04 6	1,331.03 8	67,232.76 8
17	18	RBS (ABN)	-2.22 20	-8.42 21	0.00 20	-2.22 21	(37.71) 21	-15.19 21	-43.12 21	-25.72 21	-0.03 20	-0.08 20	12,749.41 17	477.54 16	26,359.58 15
18	24	Punjab & Sind Bank	11.91 18	12.85 19	11.44 17	16.37 18	0.05 16	6.57 14	23.53 12	2.28 20	-0.03 19	-0.06 19	70,641.50 2	938.85 10	80,473.76 4
19	22	Lakshmi Vilas Bank	10.66 19	19.84 12	14.86 15	23.07 11	13.91 10	25.62 8	6.67 18	14.75 15	-0.01 17	-0.01 14	15,618.98 15	251.15 17	17,666.68 17
20	25	Catholic Syrian Bank	16.38 15	20.93 9	15.50 14	25.60 9	(13.57) 17	2.04 19	9.06 17	136.69 1	0.00 15	-0.01 15	12,341.63 18	101.98 20	13,559.95 19
21	26	Dhanalakshmi Bank	-5.10 21	16.42 15	-11.20 21	15.82 19	(33.42) 20	4.97 17	152.56 1	9.94 17	-0.03 21	0.00 13	11,202.13 19	51.40 21	13,819.49 18

Three-year growth is Compound Annual Growth Rate (CAGR); Values in each parameter are rounded off; NA: Not Applicable; NPA: Non-Performing Assets

Deutsche Bank has the highest share of fee income to total income at 15.76%

STRENGTH																
QUALITY OF ASSETS					PRODUCTIVITY AND EFFICIENCY					QUALITY OF EARNINGS				CAPITAL ADEQUACY		
Total NPA Growth Ratio (%)	NPA Coverage (%)	Net NPA/Net Advances (%)	RA/ Avg. Loans* (%)	ORA Outstanting Loan and Advances	Cost/ Income Ratio	Cost/ Avg. Asset Ratio	Operating Profit/ Employee (Basis Points)	Increase in Return on Assets	Increase in Operating Profit/Total Income (%)	Return on Assets (%)	Fee Income/ Total Income (%)	ROCE (%)	Net Interest Income/AWF (Basis Points)	Capital Adequacy Ratio (%)	TIER I (%)	TOTAL SCORE▼
0.21 1	81.44 7	0.13 3	0.00 1	0.00 1	0.38 2	3.21 20	1.09 1	-0.0032 20	4.73 5	2.55 1	15.76 1	14.46 9	0.07 1	14.08 14	13.39 5	1,366.46
1.63 11	70.56 10	0.63 9	1.31 11	1.54 10	0.42 4	1.81 10	0.14 10	-0.0013 14	-5.23 14	1.40 5	9.66 6	22.33 3	0.03 9	13.98 14	13.27 6	1,296.99
1.79 12	53.20 18	0.78 12	1.31 12	4.62 14	0.47 9	1.69 5	0.14 9	0.0000 9	4.61 7	1.00 10	5.23 18	19.43 4	0.03 13	13.91 14	12.05 9	1,241.09
0.75 5	75.20 9	0.37 8	2.25 15	4.07 13	0.47 8	1.81 9	0.13 12	-0.0016 16	-9.80 16	1.18 8	7.30 13	19.00 5	0.03 14	14.41 14	13.10 7	1,239.08
0.78 6	83.51 6	0.11 2	0.00 1	0.39 6	0.59 17	2.25 13	0.08 17	-0.0020 18	-27.79 20	0.71 15	8.83 10	6.73 20	0.03 17	17.11 17	16.82 1	1,206.56
0.64 4	98.40 1	0.22 5	0.16 7	0.99 8	0.56 15	2.50 15	0.11 15	0.0015 4	4.71 6	1.12 9	9.43 8	14.25 10	0.03 7	13.24 13	10.49 13	1,162.77
1.97 14	80.96 8	0.98 13	2.25 14	6.94 18	0.44 6	1.78 8	0.15 8	-0.0009 13	-13.32 18	1.19 7	5.46 17	14.00 11	0.03 10	14.73 15	14.09 3	1,117.06
1.27 10	85.70 4	0.75 11	0.54 9	1.09 9	0.69 19	2.76 18	0.06 19	0.0027 2	19.05 2	0.90 11	9.45 7	10.98 13	0.03 12	13.61 14	12.62 8	1,055.88
1.80 13	55.36 16	1.50 15	1.20 10	6.76 17	0.51 13	1.71 6	0.10 16	0.0016 3	3.14 9	0.84 14	7.52 12	12.76 12	0.02 19	13.22 13	10.51 12	1,007.21
3.05 17	58.60 15	2.27 17	2.91 18	7.34 20	0.48 10	1.99 11	0.13 11	-0.0005 12	-3.5 13	0.85 12	7.24 14	16.42 7	0.03 6	12.16 12	9.11 18	1,004.28
3.17 18	43.48 20	2.37 18	0.00 1	0.22 4	0.42 5	1.27 1	0.81 2	-0.0021 19	-20.02 19	0.71 16	13.11 3	10.36 14	0.03 8	12.99 13	9.25 16	987.82
3.91 20	60.10 14	2.69 20	5.24 20	7.20 19	0.45 7	1.73 7	0.12 13	0.0001 8	7.12 4	0.62 17	7.19 15	10.00 15	0.03 11	11.79 12	8.87 19	870.65
0.43 2	84.38 5	0.29 6	0.00 1	0.04 2	0.68 18	4.14 21	0.31 3	-0.0121 21	-39.12 21	0.84 13	13.75 2	7.71 17	0.04 3	14.50 15	10.99 10	826.83
2.24 16	50.40 19	2.16 16	9.66 21	11.58 21	0.54 14	1.46 2	0.11 14	-0.0020 17	9.75 3	0.42 19	4.13 20	7.66 18	0.02 20	12.91 13	8.38 20	779.01
3.66 19	54.48 17	2.43 19	3.43 19	6.18 15	0.57 16	2.00 12	0.08 18	-0.0014 15	-8.61 15	0.52 18	8.22 11	9.28 16	0.02 18	12.32 12	9.15 17	640.30
2.07 15	63.28 13	1.12 14	2.80 17	6.27 16	0.76 20	2.59 16	0.04 20	0.0003 7	-10.55 17	0.24 21	4.11 21	4.94 21	0.03 16	12.29 12	9.62 14	584.93
6.11 21	31.78 21	3.36 21	1.80 13	3.07 11	0.87 21	2.38 14	0.02 21	0.0118 1	156.81 1	0.39 20	5.70 16	7.46 19	0.02 21	11.06 11	8.05 21	481.35

SMALL BANKS & VERY SMALL BANKS

THE 2013 RANKINGS

GROUP-III SMALL BANKS

Balance sheet size more than or equal to ₹10,000 crore, and less than or equal to 10 branches

RANKS 2012/13	2011/12	BANK	GROWTH (%) DEPOSITS 1-year Growth	DEPOSITS 3-year Growth	LOANS & ADVANCES 1-year Growth	LOANS & ADVANCES 3-year Growth	FEE INCOME 1-year Growth	FEE INCOME 3-year Growth	OPERATING PROFIT 1-year Growth	OPERATING PROFIT 3-year Growth	INCREASE IN MARKET SHARE (BASIS POINTS) Deposits	INCREASE IN MARKET SHARE (BASIS POINTS) CASA	SIZE (₹ CR) Deposits	Operating Profit	Balance Sheet
1	1	JP Morgan Chase Bank	17.23 4	20.47 3	18.00 3	74.13 1	7.69 3	2.72 5	29.89 3	-684.26 6	0.0027 4	-0.0376 5	10,368.71 1	1,151.20 1	25,339.41 1
2	4	Bank of America N.A.	23.69 3	10.35 4	22.85 2	28.04 2	4.06 5	9.59 3	1.67 6	8.42 3	0.0070 2	0.0295 1	7,378.00 2	804.87 2	18,437.15 3
3	3	Scotia Bank	29.35 1	20.58 2	17.57 4	15.26 5	20.35 1	29.02 2	14.51 5	14.87 2	0.0091 1	-0.0006 3	60,55.62 3	501.25 4	13,907.82 4
4	2	Bank of Tokyo-Mitsubishi UFJ	26.25 2	23.53 1	6.00 5	26.89 4	18.82 2	40.43 1	14.98 4	50.55 1	0.0050 3	0.0037 2	4,146.39 6	534.36 3	13,167.49 6
5	5	BNP Paribas	-5.43 5	3.58 5	25.11 1	27.45 3	5.42 4	8.94 4	128.09 2	-4.21 4	-0.0163 6	-0.0525 6	5,579.73 4	350.27 5	13,678.88 5
6	6	Barclays Bank PLC	-5.78 6	-10.55 6	-2.13 6	3.85 6	-80.25 6	-56.38 6	527.25 1	-20.15 5	-0.0151 5	-0.0050 4	5,063.20 5	168.12 6	24,581.92 2

GROUP-IV VERY SMALL BANKS

Balance sheet size less than ₹10,000 crore,

1	1	Mizuho Corporate Bank	159.12 1	13.63 5	54.09 3	72.10 1	21.62 4	52.05 1	22.46 4	114.09 2	0.0131 1	0.0034 1	1,743.37 1	382.79 1	7,622.52 1
2	6	State Bank of Mauritius	-21.58 8	19.98 3	0.35 8	25.74 5	57.42 1	28.86 3	104.33 1	137.36 1	-0.0038 8	-0.01 9	600.86 5	71.11 4	1,472.45 5
3	2	Shinhan Bank	38.88 3	27.66 2	31.88 4	35.94 4	11.66 5	34.15 2	15.14 6	23.81 7	0.0033 2	-0.0011 6	1,440.39 2	88.14 3	2,472.93 3
4	5	Abu Dhabi Commercial Bank	12.98 5	10.44 8	79.76 1	50.54 2	37.32 2	15.54 4	32.73 3	39.29 5	-0.0002 6	0.0009 3	704.28 3	30.33 7	1,637.76 4
5	10	Mashreq	52.89 2	41.51 1	4.69 7	-0.87 9	1.71 6	14.76 5	22.32 5	25.04 6	0.0004 3	0.0013 2	119.44 8	19.34 8	246.56 8
6	11	Antwerp Diamond Bank N.V.	3.56 7	11.68 6	-14.36 9	19.45 7	32.70 3	13.47 6	53.15 2	11.26 8	-0.0001 5	0.00005 4	79.51 9	42.38 6	1,016.25 7
7	3	Credit Agricole	-34.70 9	-17.61 9	25.31 5	2.47 8	-19.49 8	-20.46 9	-41.74 9	-18.93 9	-0.0061 9	-0.0030 7	596.27 6	206.65 2	6,033.10 2
8	8	Krung Thai Bank	28.15 4	19.77 4	71.19 2	46.25 3	-37.07 9	-13.02 8	0.40 8	68.23 4	0.0003 4	0.00002 5	183.48 7	6.70 9	237.87 9
9	9	Bank of Bahrain and Kuwait B.S.C	3.56 6	10.55 7	7.62 6	21.45 6	-9.76 7	9.80 7	12.14 7	81.25 3	-0.0010 7	-0.005 8	695.83 4	43.92 5	1,167.68 6

Values in each parameter are rounded off; NA: Not Applicable; NPA: Non-Performing Assets CASA: Current Account Savings Account; AWF: Average Working Fund; ROCE: Return on Capital Employed; The 2012 rankings were carried in the December 9, 2012 issue; *Restructured assets/Total average loans and advances; For explanation of parameters and how the total score was arrived at, see *How Banks Were Ranked*, page 104

JP Morgan Chase has the highest return on assets at 2.65%

STRENGTH																
QUALITY OF ASSETS					PRODUCTIVITY AND EFFICIENCY					QUALITY OF EARNINGS				CAPITAL ADEQUACY		
Total NPA Growth Ratio (%)	NPA Coverage (%)	Net NPA/Net Advances (%)	RA/ Avg. Loans* (%)	ORA Outstanting Loan and Advances	Cost/ Income Ratio	Cost/ Avg. Asset Ratio	Operating Profit/ Employee (Basis Points)	Increase in Return on Assets	Increase in Operating Profit/Total Income (%)	Return on Assets (%)	Fee Income/ Total Income (%)	ROCE (%)	Net Interest Income/AWF (Basis Points)	Capital Adequacy Ratio (%)	TIER I (%)	TOTAL SCORE▼
0.00 1	100.00 3	0.00 1	0.00 1	0.00 1	0.16 2	0.93 2	4.74 1	0.0026 3	-5.10 4	2.65 1	6.48 5	12.42 2	0.04 4	26.89 2	26.32 2	458.56
0.00 1	100.00 1	0.00 1	0.00 1	0.00 1	0.35 4	2.49 4	2.04 3	-0.0070 6	-8.88 5	2.55 2	6.70 4	10.96 3	0.05 1	18.40 5	18.02 4	400.06
0.93 5	39.60 6	0.42 5	0.00 1	0.00 1	0.14 1	0.67 1	2.57 2	-0.0017 5	-1.91 3	2.06 3	12.80 2	17.45 1	0.03 5	21.40 3	16.40 5	387.81
0.01 4	100.00 1	0.01 4	0.00 1	0.00 1	0.24 3	1.37 3	1.70 4	0.0017 4	-11.81 6	2.04 4	10.68 3	8.20 5	0.04 2	44.53 1	33.76 1	382.06
0.00 1	54.00 5	0.00 1	0.00 1	0.00 1	0.53 5	3.11 6	0.01 6	0.0068 1	82.09 2	1.37 5	13.94 1	8.56 4	0.04 3	13.82 6	10.94 6	314.81
3.23 6	73.42 4	1.74 6	0.00 1	0.78 6	0.78 6	2.55 5	0.43 5	0.0057 2	470.04 1	-0.23 6	1.21 6	-1.02 6	0.03 6	19.09 4	18.44 3	230.16

and less than 10 branches

2.62 7	30.00 9	0.68 7	0.00 1	2.16 8	0.17 1	1.19 2	1.88 2	-0.01032 9	-7.08 4	2.27 3	11.17 3	4.94 9	0.06 1	48.11 5	47.68 5	648.93
2.04 6	55.99 8	1.89 8	11.59 9	12.39 9	0.19 2	1.14 1	1.45 5	0.01408 1	67.92 1	2.20 4	5.95 6	6.92 5	0.05 3	55.01 2	53.71 2	583.26
0.00 1	100.00 2	0.00 1	1.13 8	1.00 7	0.26 3	1.49 4	0.97 6	-0.00736 7	-16.67 7	1.78 5	5.37 7	7.99 3	0.05 2	34.48 7	33.52 7	574.40
0.01 5	100.00 2	0.00 1	0.00 1	0.00 1	0.45 9	1.71 8	0.59 8	-0.00227 3	-13.79 6	1.11 9	2.29 8	5.72 8	0.03 7	66.82 1	65.91 1	534.84
11.21 9	100.00 2	0.00 1	0.00 1	0.00 1	0.36 8	4.99 9	1.61 3	-0.00266 6	10.26 3	4.72 1	60.58 1	10.12 1	0.05 5	49.62 4	49.20 4	509.34
0.00 1	100.00 1	0.00 1	0.00 1	0.00 1	0.29 4	1.62 6	1.51 4	0.00204 2	15.81 2	1.40 8	25.71 2	6.39 6	0.03 8	32.72 8	23.14 8	485.59
0.00 1	100.00 2	0.00 1	0.00 1	0.00 1	0.31 6	1.37 3	2.25 1	-0.00962 8	-20.31 9	2.56 2	8.61 4	8.85 2	0.03 9	17.27 9	13.06 9	466.09
0.00 1	100.00 2	0.00 1	0.00 1	0.00 1	0.35 7	1.69 7	0.67 7	-0.00265 5	-17.79 8	1.60 6	1.95 9	7.84 4	0.04 6	54.57 3	53.32 3	462.84
7.35 8	58.30 7	3.15 9	0.00 1	0.00 1	0.30 5	1.62 5	0.46 9	-0.00248 4	-7.58 5	1.49 7	7.74 5	6.24 7	0.05 4	34.70 6	34.25 6	419.09

YELLOW

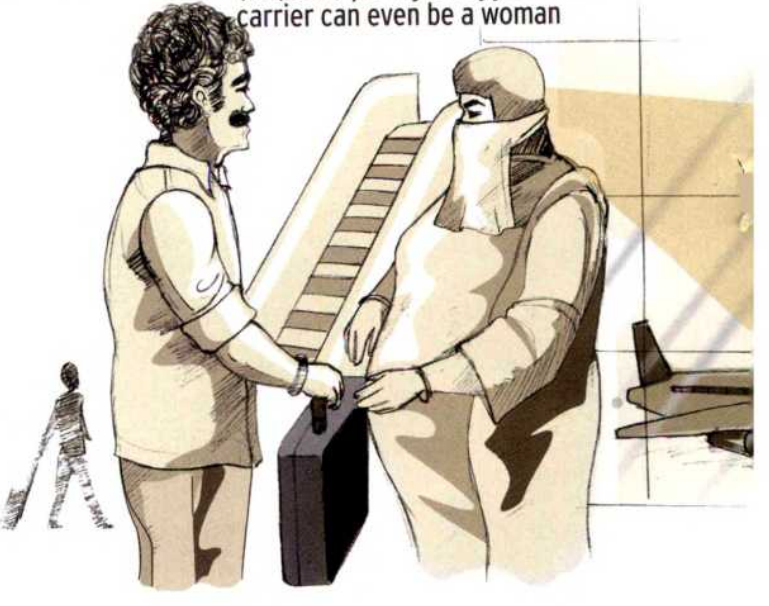
Dubai

1 Smuggler/ Financer
Borrows cash from Hawala agent, buys gold, fixes selling price in India

2 Hawala Agent
Gets money from workers and companies wanting to transfer currency illegally

3 Facilitator
Engaged by the smuggler. Facilitator in turn hires a carrier to ferry the gold across

4 Carrier
Collects consignment from facilitator who also buys the carrier's **air ticket** and pays the commission of **1,000 dirhams (₹17,000)** per kg smuggled. The carrier can even be a woman



₹200 crore
Daily transactions with India through the hawala channel from the Gulf, out of which as much as **70%** is being used for gold smuggling since import duties were increased

ILLUSTRATIONS BY RAJ VERMA

PERIL

RECENT CURBS ON ITS OFFICIAL IMPORT HAVE LED TO A SPURT IN THE SMUGGLING OF GOLD. SARIKA MALHOTRA TRACKS THE SUBTERRANEAN TRAIL OF THE YELLOW METAL FROM WEST ASIA TO KERALA.

5 Handing over
After the carrier lands in India, the facilitator's man takes the consignment

6 Local Agents
Facilitator's man hands over the consignment to local agents

The carrier conceals gold in various ways, including on her body. Each carrier usually brings in at least 2.50-2.75 kg of gold

7 Money Distribution
Gold sold in India at price fixed in Dubai. Payments made to facilitator and hawala agent. Smuggler keeps profit

Kerala

He will not reveal his real name. And what this nondescript looking 43-year-old, clad in all white – half sleeved cotton shirt and *mundu* – says about his occupation is startling. The native of Kasargod district in north Kerala, but now living in Dubai, is a 'facilitator' of gold smuggling into India. In October alone, he was responsible for 20 kg of gold entering the country illegally.

Not surprisingly, he is tight-lipped about his forthcoming consignments, but does reveal that, following a couple of gold carriers having been caught at Kerala airports recently, he has decided to avoid the state altogether. "I prefer airports close to the state but not within it, such as the ones at Coimbatore or Mangalore," he tells *Business Today*, while on a short visit to Kozhikode in north Kerala.

The Kasargod native's main occupation is that of a hawala agent, but he has had earlier experience of gold smuggling as well. In 1988/89, when the Gold Control Act – which essentially prohibited gold imports into India – was still in force, he used to be a 'carrier', bringing in gold from Saudi Arabia. One assignment involving 20 gold pieces, each weighing 116 gm, earned him ₹2,000 per piece; for the next one, involving 30 pieces, he charged double. But once gold imports were legalised – on payment of nominal duty – with the liberalisation of the economy in 1991/92, the gold smuggling infrastructure collapsed, and he shifted to currency smuggling instead.

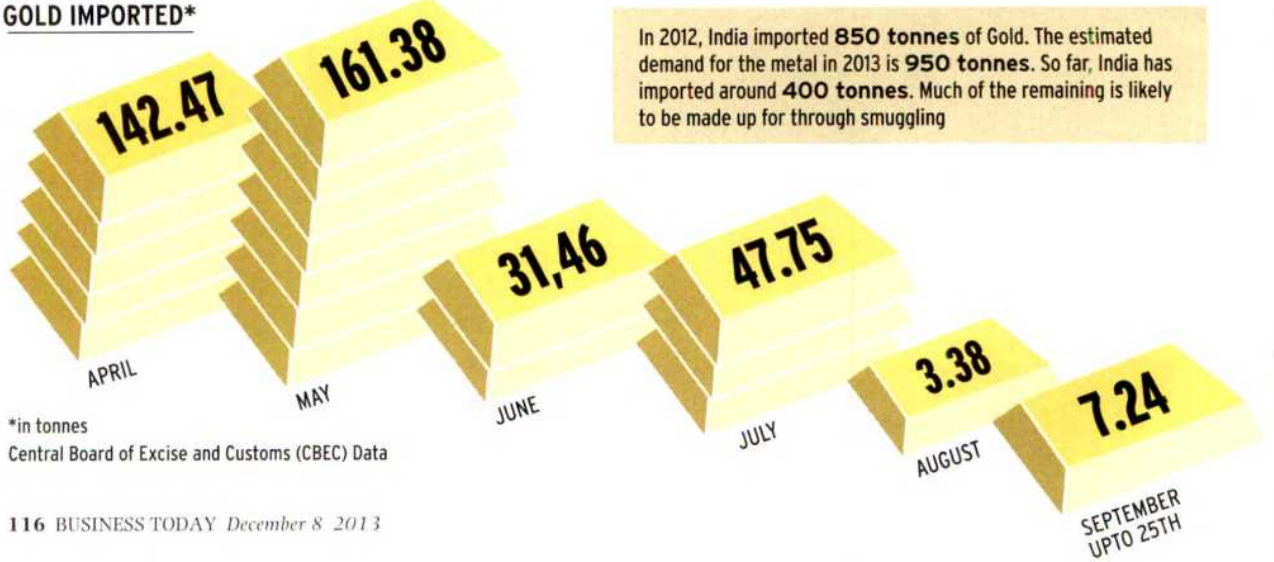
But now, two decades later, gold smuggling has revived again. It all began when policy makers recognised that one of the main reasons for the country's current account deficit (CAD) touching a record $88.2 billion, or 4.8 per cent of the gross domestic product in 2012/13, was excessive gold imports. With Finance Minister P. Chidambaram committing himself to lowering the CAD to $60 billion in the current financial year, import duty on gold has been progressively raised. It was two per cent till January 2012, it is 10 per cent now. Other curbs on gold imports include an excise hike from seven to nine per cent, and the provision that at least 20 per cent of all imported gold must be used for exports.

The measures have had their impact, with official gold imports falling from 161.38 tonnes in May this year to just 7.24 tonnes in September. But drastic remedies can have unexpected side effects. As Reserve Bank of India Governor Raghuram Rajan has himself admitted: "One worry is whether gold is being smuggled in sizeable amounts and is being paid for through the

HEAVY DUTY

The government has been progressively increasing the import duty on gold in a bid to control the burgeoning current account deficit...

...leading to a steep fall in gold imports through official channels



*in tonnes
Central Board of Excise and Customs (CBEC) Data

In 2012, India imported **850 tonnes** of Gold. The estimated demand for the metal in 2013 is **950 tonnes**. So far, India has imported around **400 tonnes**. Much of the remaining is likely to be made up for through smuggling

PHOTOGRAPHS BY AJEEB KOMACHI

Palayam gold market in Kozhikode, Kerala. Jewellers increasingly depend on smuggled gold

hawala channel." He acknowledged gold smuggling had increased, but maintained it was "still small".

As facilitator, the Kasargod native's responsibility is to arrange delivery to Indian agents – find trusted carriers, hand over the consignment, arrange for their air travel to and from India, ensure their safe passage to the extent possible by establishing links with and bribing Customs and airport staff. Facilitators' commissions can vary, the Kasargod native says he gets10 per cent by weight – usually 250 gm of gold for every 2.5 kg delivered.

Taking delivery from the carriers are the 'landing agents' in India, who then arrange for the gold to reach the retail level. The mafia dons of yesteryear, such as Haji Mastaan or Karim Lala, functioning in the heyday of the Gold Control Act – which began as an executive order in the mid-1960s – were essentially landing agents, handling gold – and much else besides – smuggled in largely by sea. Dawood Ibrahim, too, began as a landing agent.

So how does the operation work today? The facilitator reveals that gold smuggling has links with hawala, the smuggling of currency, which go well beyond his own. Indeed it is hawala money which finances gold smuggling – the smuggler's own investment is minimal, since he borrows from the hawala operator to buy the gold. If the consignment is large, the smuggler/financer seeks out a facilitator, if not he arranges carriers himself. Gold smugglers, mostly Indians themselves, can be found in all the Gulf countries, but most of them work through agents based in Dubai.

Buying gold in Dubai is a perfectly legitimate activity; it is purchased against a receipt. The smuggler reaches an agreement on the price to be paid in India with an agent – the transaction is called 'cutting' – which remains fixed till the date of delivery even if the global price of gold fluctuates. Taking gold out of Dubai is also perfectly legal – the gold, along with the receipt, is handed over to the carrier to be shown to Dubai airport authorities if required. If the consignment is a big

REGISTER!

9th PLASTIVISION INDIA 2013

International Plastics Exhibition & Conference

Where the *future* of plastic is...

12-13-14-15-16 DEC 2013 MUMBAI INDIA

BEC, Goregaon (E), Mumbai - 63

VISITOR PRE REGISTRATION

www.plastivision.org

Enjoy the benefits of free online pre registration

- Easy & Quick
- Hassle free registration
- Avoid long queues
- Saves Time
- Stay updated on the ongoing activities & news of 9th PVI 2013

indiamold® Molds & Dies

Plastics in Agriculture
Role of Plastics in Agriculture

Green Pavilion
No Life without Plastics

PlastiWorld®
Finished Products Pavilion

Solar Energy Pavilion
Solar Energy in Plastic Industry

Automation & Robotics in Plastics Pavilion
Innovative & Productive Automation Engineering

Organizers

The All India Plastics Manufacturers' Association

AIPMA House, A-52, Street No.1, M.I.D.C. Marol, Andheri (East), Mumbai - 400 093, Maharashtra, INDIA.

Tel.: +91 22 6777 8899 (100Lines) / 2821 7324 / 25 / 2835 2511

Fax: +91 22 2821 6390

Email: marketing@plastivision.org • Website: www.plastivision.org

Follow us on : /plastivision2013 | @9plastivision

one, he even gets a certificate issued by the Dubai police stating the weight of the gold and the name of the person carrying it. In India, after evading Customs, the gold is duly handed over. Only after the gold has been sold does the smuggler receive payment, after which he pays off the facilitator and returns the cash he had borrowed from the hawala operator, keeping his profit. Some hawala operators have also now begun partnering with the gold smugglers.

If a consignment is seized, the entire loss is borne by the smuggler. It is thus essential for him to have deep pockets. "It's an intricate ecosystem in which the role of every player is clearly defined and immense discretion is maintained," says a hawala agent hailing from Kerala's Kannur district, who works out of Jeddah, Saudi Arabia. "The carrier, for instance, knows no one connected with the operation except the person who hands over his air ticket. Sometimes, even the facilitator does not know who the real smuggler is." Such precautions are necessary so that even if a carrier is caught, the network cannot be busted. The Kannur native estimates that there are around 200 mid-level hawala agents in Saudi Arabia and another 500 in Dubai.

The Economics

How much do smugglers earn? A hawala agent spelt out the numbers. The price of gold keeps fluctuating but, say, on a given day, the price of a single kilo (of the pure 24-carat variety) is ₹26.30 lakh. The smuggler, in consultation with his Indian counterpart, would set its 'landing price' in India at around ₹30 lakh, thus making an overall profit of ₹3.70 lakh per kg. At a global price of ₹26.30 lakh, the minimum cost for those buying gold through official channels in India would be over ₹31 lakh per kg, so there are handsome commissions to be made even at the retailer level. Of course, the smuggler has to foot the carrier's expenses – primarily, the air ticket to India and back, which costs around ₹30,000 and pay the carrier's commission of 1,000 dirhams (₹17,000) per kg taken across. The net profit is thus about ₹3.20 lakh on the first kg of gold. If the carrier takes more than a kg, the net profit is higher, since only the commission has to be paid on successive kilos. Insiders reveal that around ₹200 crore enters India daily through hawala channels from the Gulf, around 70 per cent of which is now used for gold smuggling.

RICH PICKINGS

The economics of gold smuggling

₹26.30 LAKH
Cost of pure (24-carat) gold in Dubai per kg

₹30.00 LAKH
Selling price of smuggled gold in India per kg

₹3.70 LAKH
Overall profit per kg

₹50,000
Carrier expenses (ticket, commission)

₹3.20 LAKH
Net profit per kg

Carriers usually take more than one kg with them. For each kg they are paid 1,000 Dirhams. Indian wholesaler resells at ₹30.40 lakh per kg. The official price in India for 1 kg gold is ₹31.05 lakh.

Before import duty was raised and gold smuggling was still minimal, it was mostly labourers returning home from the Gulf countries who were engaged as carriers. But with the spike in smuggling and the rise in profits, the profile of carriers has undergone a change too. As some recent gold seizures indicate, women too are getting into the act; even families with children have functioned as carriers, as well as airline and cargo staff. "A pregnant woman wearing a burqa, or with a child alongside, was not the usual profile of a carrier till recently," says a senior Customs official in Kozhikode. Carriers displaying greater sophistication are also said to command bigger commissions. A new category of 'arrangers' has also arisen – those who provide carriers.

The recent arrests of women carriers, however, have already wrought another change – women are no longer as sought after as before. Facilitators feel such carriers if arrested draw excessive media attention, which is not good for the business. The latest favourite are young men from India, often village residents, who are sent to Dubai on tourist visas. A facilitator from Kerala's Malappuram district, also in the north, says these youth are mostly aged between 18 and 25, and usually school or college dropouts. They are given strict instructions on how to conduct themselves – they are prohibited, for instance, while returning with the gold, from consuming alcohol on the flight.

How is the gold concealed? While small amounts can be carried on the carrier's person or baggage without attracting suspicion, several kilos are a different matter. Police and Customs officials maintain that an entire network of 'concealment

11TH INTERNATIONAL EXHIBITION OF ELECTRICAL AND INDUSTRIAL ELECTRONICS INDUSTRY

ELECRAMA-2014

8-12 JANUARY 2014, BIEC, BANGALORE, INDIA

Supported by

Ministry of Heavy Industries & Public Enterprises
Ministry of Power
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
Department of Commerce (for RBSM)
GOVERNMENT OF INDIA

organised by ieema
your link to electricity

08.01.2014

THE NEW EPICENTRE OF POWER UNVEILS ITSELF TO THE WORLD!

The world's largest power transmission and distribution exhibition now comes to India's world class technology showcase venue Bangalore International Exhibition Centre (BIEC), Bangalore.

MADE FOR THE WORLD, MADE IN INDIA.

ELECRAMA-2014 will showcase world class product development capabilities to revolutionary frugal engineering expertise. 1000+ exhibitors and 100,000+ visitors* from 100+ countries will be there to display and experience the best of product & technology. The scientific and technical community will be there in full attendance to share and imbibe the state-of-the-art technology through conferences and seminars. Get close with the Karnataka power players and opportunities. If power is your business, ELECRAMA-2014 is the place to be.

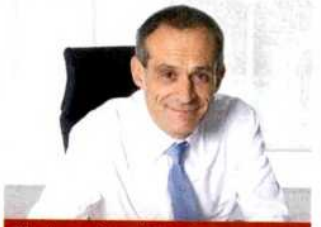
To Register please visit www.elecrama.com/VisitorRegistrationForm.aspx.

A TO Z OF POWER T&D EQUIPMENT - LARGEST DISPLAY OF PRODUCT CATEGORIES UNDER ONE ROOF

CABLES & ACCESSORIES	CAPACITORS	CONDUCTORS	DESIGN & CONSULTANCY
ELECTRICAL/ELECTRONICS COMPONENTS	ENERGY METERS	ENGINEERING PROJECTS	GENERATORS
INDL. CONTROL & AUTOMATION	INSTRUMENT TRANSFORMERS	INSULATORS & INSULATING MATERIALS	LIGHTING & LIGHTING PRODUCTS
MOTORS	POWER ELECTRONICS	SENSING, MEASURING INSTRUMENTS	SOFTWARE SERVICES
STAMPINGS & LAMINATIONS	SWITCHGEAR & CONTROLGEAR	TRANSFORMERS	WINDING WIRES

GLOBAL INDUSTRY LEADERS ENDORSING ELECRAMA-2014

Mr. R.N. Nayak
CMD, PowerGrid (India)
Brand Ambassador - ELECRAMA-2014



Mr. Jean - Pascal Tricoire
Chairman & CEO Schneider Electric SA
Brand Ambassador - ELECRAMA-2014

Mr. Gregoire Poux - Guillaume
President Alstom Grid
Brand Ambassador - ELECRAMA-2014

Mr. Tony Gatt
President TE Connectivity - Energy
Brand Ambassador - ELECRAMA-2014

CONCURRENT EVENTS ALONG WITH ELECRAMA-2014

CHANGE X CHANGE 2014 REVERSE BUYER-SELLER MEET	ieema CEO SUMMIT	ENGINEER 2014	INTERNATIONAL T&D CONCLAVE	cigré SESSIONS	TRAFOTECH 2014
REVERSE BUYER-SELLER MEET www.ieema-rbsm.in		STUDENT COMPETITION www.ei14.elecrama.com	INTERNATIONAL CONFERENCE		www.trafotech2014.ieema.org
08-12 JANUARY 2014	08 JANUARY 2014	08-12 JANUARY 2014	09 JANUARY 2014	09 JANUARY 2014	10-11 JANUARY 2014

host state: Government of Karnataka

television partner: Bloomberg TV INDIA

distribution utility partner: BESCOM

transmission utility partner: KPTCL

official travel & stay partner: Thomas Cook

ufi Approved Event

For more details visit www.elecrama.com or email at elecrama@ieema.org

* expected footfalls

FORMIDABLE CHALLENGE

K.N. Raghavan, Commissioner, Customs, Kochi

Kerala is the state with the highest gold purchases, and it is no surprise that it is also the epicentre of gold smuggling in India. The seizures of smuggled gold in the state between April and October this year tell their own tale – 29 kg by the Customs at Calicut International Airport, 16 kg by the Customs at Kochi International Airport, 36 kg by Customs (Preventive), and 12 kg by the Directorate of Revenue Intelligence.

Why Kerala? "Smugglers need local contacts," says K.N. Raghavan, Commissioner, Customs, Kochi. "To engage carriers, you need to speak their language. The people in Dubai who fix carriers, or act as facilitators, are all Malayalis. But the financiers of smuggling could well be from outside the state and so too the buyers of the metal."

Raghavan also explains why most smuggled consignments hover around 2.5 to 2.75 kg. "If the value of the contraband is less than ₹1 crore, the offence is a bailable one," he says. "At the current cost of gold, that is the amount of gold whose value falls just short of that figure. Even if an arrest is made, the carrier doesn't stay behind bars for long."

For the last two decades, ever since gold imports were eased, enforcement agencies rarely needed to bother about gold smuggling – their focus was narcotics, fake currency, illegal arms and ammunition. But all that has now changed. Intelligence relating to the new gold smugglers is, however, lacking. "Earlier there were identifiable syndicates engaged in gold smuggling," says an officer who has had stints with both the Customs and the DRI. "Now it can be a one-man show, a 10 man syndicate, or a bunch fronting for a syndicate." Officials do not know.

And nor can they suspect everyone. Raghavan notes that Customs officers at airports cannot possibly search every passenger thoroughly. "Most international flights land between 2 am and 8 am. On average Kochi airport gets 120,000 passengers a month, Calicut airport 260,000 of them. It is difficult to get people to remove every piece of metal on their person and pass it through a scanner. We only frisk those we suspect."

agents' – all of them Indians – has sprung up in Dubai, who know ingenious ways of hiding gold inside emergency lights, washing machines, wheelchairs, children's tricycles, TV sets and the like. They charge around 500 dirham for every three kg concealed. There are also workmen – welders, spray painters and so forth – who help out for a price.

Kerala is a key destination of smuggled gold, with towns such as Thrissur, Koduvally and Vengara being hubs. Merchants from here supply gold across the state and indeed throughout the country. Koduvally, for instance, a small town in Kozhikode district, boasts 200 jewellery shops within a 50 metre stretch. Retailers confirm that the Indian appetite for gold remains undimmed – selling is no problem at all.

A mid-sized retailer in Angamaly town points out that those buying through unofficial channels not only save on import duty but also get away without paying one per cent value added tax and additional state taxes. "Both the organised and unorganised sections of gold retailers have come to depend on smuggled supplies," says a wholesale retailer in Kozhikode. "The former get around 30 per cent of its requirements from smugglers, the latter about 50 per cent. Even big stores cannot survive through accounted business alone. They show gold acquired through unofficial channels as 'old gold' or 'scrap purchase' in their books."

And there are no signs of letting up. The estimated demand for gold in 2013 is around 950 tonnes of which only 400 tonnes has come in so far through official channels. How the shortfall is being made up for is fairly clear.

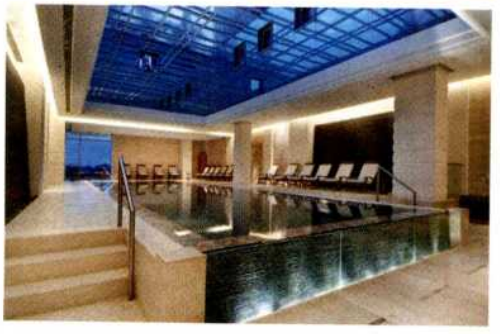
Agents claim they are certain the good times will continue at least till the general elections next year. The import duty will not be lowered, if only to allow the hawala funds to be used in the poll campaign enter the country easily in the form of smuggled gold. ◆

@sarikamalhotra2

Hyatt Regency Pune
RESIDENCES

Fully serviced 1, 2 & 3 bedroom apartments for rent ranging from 65 sq meters to 190 sq meters

Resident guests enjoy exclusive outdoor recreation facilities such as kids play area, barbecue area and doubles tennis court



Exclusive access to the city's only temperature controlled indoor swimming pool and Arogya Spa & Fitness Centre

For details, please call +91 20 6645 1234

Weikfield IT Park, Nagar Road, Pune 411014, India
pune.regency.hyatt.com

HYATT
REGENCY

PHOTOGRAPHS BY SHEKHAR GHOSH

COOPERATE TO COMPETE

Rival players within industries working together for a larger goal get the thumbs up at *Business Today's* CEOs lunch meet in Delhi. By ARUNIMA MISHRA

Corporate India believes that cooperation between rival players within an industry, along with job creation, will increase productivity and put the economy back on tack. At *Business Today's* CEOs at Lunch meet held at My Humble House, the rooftop restaurant at ITC Maurya in Delhi, on October 25, the discussion, moderated by *Business Today* Editor Chaitanya Kalbag and Managing Editor Josey Puliyenthuruthel, centred on 'coalition within industries'. (Kalbag quit editorship of the magazine November 1.)

Leading CEOs from diverse sectors – telecom, real estate, human resource management, public policy and private equity – talked about ways to promote inclusive growth and also increase employment over a delicious spread of traditional Indian and neo classical Chinese cuisine.

Companies should not sit back simply because the next general election is less than a year away, said Som Mittal, President, NASSCOM, since there was work to be done.

Sticking together: (Standing, from left) Uninor's Yogesh Malik, EMC's Rajesh Janey, Sunil Lalvani of BlackBerry India, Manish Tiwari of Biltech, *BT* Editor Chaitanya Kalbag, P. Balaji of Nokia India, HP India's Rajiv Srivastava, Dilip Chenoy of National Skill Development Corporation, Dmitry Shukov of Sistema Shyam TeleServices, Wave Infratech's Amar Sinha & Manasije Mishra of Max Bupa Health Insurance. (Seated, from left) Debjani Ghosh of Intel South Asia, NASSCOM's Som Mittal & Rajesh Srivastava of Rabo Equity Advisors. Achal Khanna of SHRM (Society for Human Resource Management) India also participated

"Coalition governments at the centre are here to stay, though states may have different ruling parties. Each of us has a job to do now rather wait for a coalition economy," he added. And only economic progress can create jobs. "Economic activities such as increased manufacturing, more industries should be able to create jobs. There has to be one agenda whosoever comes into power," he said.

Debjani Ghosh, Managing Director, Sales and Marketing Group, Intel South Asia, decried the excessive importance given to the government. "We attach so much importance to the government. That needs to be balanced out. Corporate India needs to grow up and have its own way. The corporate sphere should speak in one voice on regulations, taxation, import duties, etc, to the government. No matter who comes to power, the situation will not change overnight."

Dilip Chenoy, MD and CEO, National Skill Development Corporation, said the focus should be on employment and job creation. "A mechanism must also be in place to move goods out from the hinterland to the mainland and abroad," he added.

Serious changes needed to be made to bring about a stable and fair regulatory regime, said Dmitry Shukov, CEO, Sistema Shyam TeleServices Ltd (which operates under the brand name MTS). "India is good for telecom operators as it has a huge population that, in turn, is the main source of revenue generation in the telecom industry," he said.

Yogesh Malik, CEO, Uninor, said he had no quarrel with the way spectrum was being allocated but affordable pricing of telecom services was more important. "It is all about how you become innovative in giving that per minute pricing," he added. "The outsourcing industry belongs to

us... We need to talk about affordability. How can every one of us benefit from what we do? We must focus on how every individual can gain access to mobile telephony. We must look at a common objective as to where to move besides having coalitions. For a better India, 80 per cent of the people should be engaged in the transformation of mobile telephony. We also need to move from the concept stage to execution." (Malik has since left Uninor.)

Sunil Lalvani, MD, BlackBerry India, spoke on the need for policy reforms. "Fragmented policies such as taxation laws and duty structures are not helping us. They are a hindrance in moving goods from one state to another."

Rajiv Srivastava, President (Printing and Personal Systems), HP India, spoke of the need to rationalise duty structure, speed up decision-making and increase meaningful employment. "We look to government to provide policy intervention. A coalition at the Centre does create delays in decision-making. In states that have a single-party government, decisions are much faster. In states like Gujarat, Rajasthan, Madhya Pradesh, Tamil Nadu, Chhattisgarh and Jharkhand you find that there is a class of politicians, but there's also a section of extremely talented bureaucrats, who are knowledgeable, agile and willing to make a difference and do things."

According to Manasije Mishra, CEO, Max Bupa Health Insurance, a coalition government is a reality of Indian democracy that has to be accepted. "In the last 20 years there have been three coalition governments and the growth rate has been in the range of eight to 8.5 per cent, barring the last two years. It shows the resilience and maturity of Indian democracy – a reflection of true maturity of the federal system of democracy. From the health insurance perspective, I believe that industry and government need to work together to battle poor penetration and perception, the two key challenges the industry faces today. Sustained efforts towards customer awareness coupled with innovation in product and service offerings will help in propelling growth of the sector."

P. Balaji, MD, Nokia India, said private players have as much responsibility as the government in promoting India as an investment destination. He said there was also a need for a broader national agenda. "If mobile telephony was the big focus in 2000, then broadband and its impact on society and individuals, as well as the networking effect is the story from now till 2020. And, we need to focus on inclusive growth."

The CEOs were each asked to list two things they would expect from the new government after the elections. "Public-private partnership in agri-infrastructure such as irrigation, and decontrol of a few controlled sectors like sugar," said Rajesh Srivastava, Chairman and MD, Rabo Equity Advisors.

"The country needs to encourage more young people to study politics as part of their curriculum as the average age of a politician is somewhere around 60 years in India," said Amar Sinha, Executive Director, Wave Infratech. "We also need to take the GDP numbers, which are currently pretty low, to eight per cent and that can only happen with a lot of investment flowing in."

Manish Tiwari, CEO, Biltech, listed three wishes: "First, total insulation of foreign policy and economic policy from coalition compulsions. Second, the government needs to get away from headline-grabbing reforms and take decisions which ease everyday governance problems, be it tackling corruption or improving service delivery mechanisms by government agencies. Third, creating a positive attitude and pride among young people through youth development programmes."

Others who participated in the event, sponsored by Wave Group, were Rajesh Janey, President, India and SAARC, EMC, and Achal Khanna, CEO, SHRM (Society for Human Resource Management) India. ◆

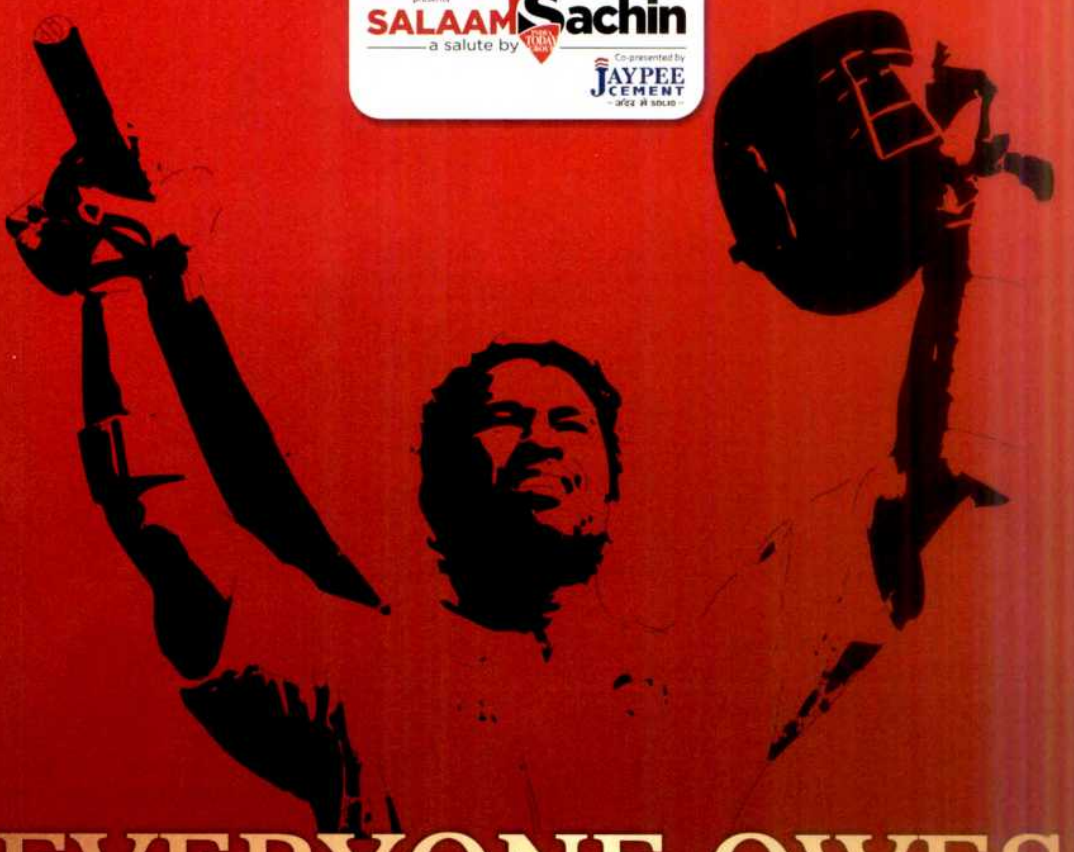
Dilip Chenoy, MD & CEO,
National Skill Development Corporation
"A mechanism must also be in place to move goods out from the hinterland to the mainland and abroad"

Sunil Lalvani,
MD, BlackBerry India
"Fragmented policies such as taxation laws and duty structures are not helping us"

Manasije Mishra,
CEO, Max Bupa Health Insurance
"In the last 20 years there have been three coalition governments and the growth rate has been in the range of 8-8.5%, barring the last two years"

Send your comments to editor.bt@intoday.com

LAVA presents SALAAM Sachin
a salute by INDIA TODAY MAN
Co-presented by JAYPEE CEMENT अंदर से SOLID



EVERYONE OWES A TRIBUTE TO HIM

Here are some from the friends, family, fraternity and us.

"Sachin is right at the top, his stats tell us what he has done."
- Waqar Younis

"Sachin carried the weight of the Indian team on his shoulders."
- Suresh Raina

"No comparison between me & Sachin. Sachin is the best."
- Brian Lara

"In the same league as Sobers and Bradman."
- Sunil Gavaskar

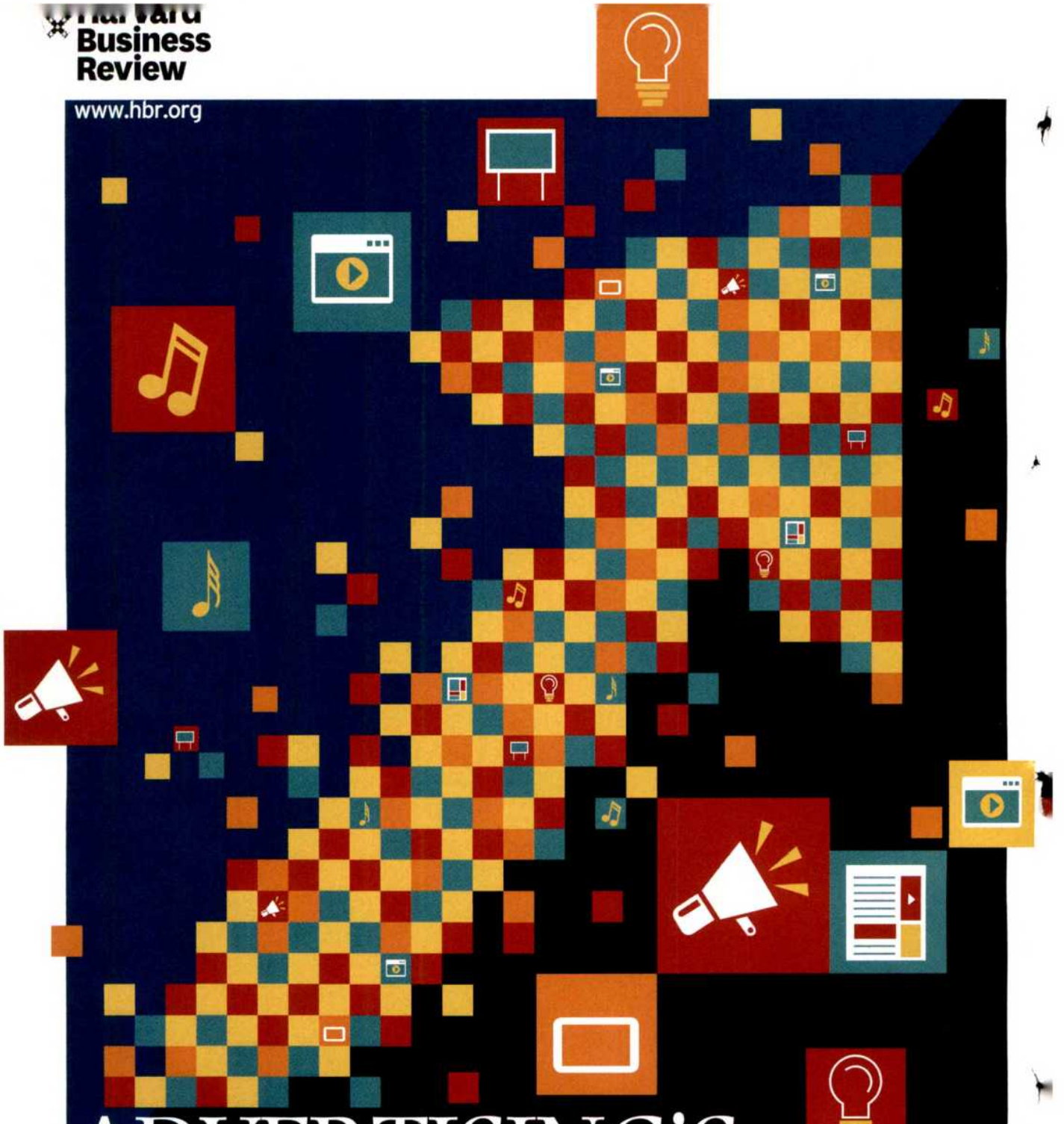
"It was a bit of a fear while bowling to him."
- Shoaib Akhtar

HEADLINES TODAY
YOU MATTER

आज तक
सबसे तेज़

Presenting Sponsor: AVA
Co-presenting Sponsor: JAYPEE CEMENT अंदर से SOLID
Associate Sponsors: Hero, AMUL MACHO
Snacks Partner: PRIYAGOLD, Italiano
Print Partner: MAIL TODAY Read by those who matter
Radio Partner: OYE! 104.8FM

Harvard Business Review
www.hbr.org



ADVERTISING'S NEW MEDIUM: HUMAN EXPERIENCE

You can make ubiquitous advertising acceptable – even welcome – to consumers. By JEFFREY F. RAYPORT

SANTOSH

In the summer of 2012, the London-based beverage giant Diageo devised labels for its Brazilian-market whiskey that turned the bottles into a conduit for custom video. Timed to hit shelves for Father's Day, in August, the labels enabled a gift giver to scan a code and upload a video message for Dad to the cloud. Dad could scan the code with his own phone to receive the recorded good wishes. The videos promoted the brand, tightened social bonds, and allowed the company to reconnect with both giver and recipient for future promotions – events, tastings, offers, and the like. Diageo transformed the most mundane form of advertising – a label with a logo – into an open-ended personal messaging system that could be woven into consumers' lives.

This is a far cry from advertising as we've known it – ubiquitous but often poorly targeted, intrusive, ignored at best and actively rejected at worst. Today consumers are drowning in irrelevant messages delivered across media from the web, TV, radio, print, and outdoor displays to a proliferating array of mobile devices. Screen displays are pervasive: Smartphones and tablets, ATMs, airport check-in terminals, retail checkout machines, and information kiosks in stores and malls all carry marketers' messages. Media networks have infiltrated scores of out-of-home places in our daily lives: taxis, trains, buses, elevators, filling stations, bars, restaurants, and subways. So-called narrowcast networks, such as Walmart TV, have become media vehicles in their own right, reaching audiences easily as large as those of the leading cable networks.

In this media-saturated world, advertising strategies built on persuading through interruption, repetition, and brute ubiquity are increasingly ineffective. Seeking escape from the barrage, consumers DVR through TV spots, block pop-ups on their browsers, opt out of banner ads, and pay content providers like Pandora to not deliver advertisements. To have an impact, then, marketers must fundamentally rethink their advertising strategy and execution and expand their definition of what, exactly, advertising is.

This article offers a framework for that process. It is based on the understanding that human experience – from one's online and offline travels to social interactions, group affiliations, and thought processes – is a vast medium for advertising that can and should be approached strategically. Whether advertising works in this arena depends on how marketers conceive its purpose, how they craft and place their messages, and, most important, whether consumers welcome the messaging and invite advertisers' brands into their lives.

The model underlies my teaching and consulting to senior executives within the global agency and marketing services company Omnicom Group and through MarketspaceNext, a digital strategy firm. The ideas behind it have been applied in media, retail, financial services, pharmaceutical, and consumer packaged goods companies.

Be a Presence

Standard ad messaging and conventional creative executions and placement are rapidly becoming outmoded. To win consumers' attention and trust, marketers must think less about what advertising says to its targets and more about what it does for them. Rather than conceive ad campaigns with a beginning, a middle, and an end that hammer home a point, they must think about advertising – as well as the offerings it promotes – as a sustained and rewarding presence in consumers' lives.

That's still a new and disruptive idea for a discipline that remains most at home with TV spots and display ads. Nonetheless, marketers at Diageo and elsewhere are pushing advertising's boundaries. Companies like Demand Media, Skyword, and BuzzFeed, for example, have fuelled the growth of so-called native content, creating both text and video that complement commercial messaging and encourage consumers to engage with it because it's more than an advertisement. Rolex links its online display ads to the World of Music – a *New York Times* survey of concerts and operas, branded with the company's iconic crown logo, that's designed to appeal to the Rolex-buying demographic. Shortly after the US presidential election, Fidelity placed full-page ads in major papers that posed the question "How could the election results affect the markets?" and invited readers to download insights from the company's expert panel.

Such advertising is conspicuously different from the conventional sort. In the best cases, it has editorial integrity and engages through relevance and value. But no matter how worthwhile your message, competing for attention simply by yelling louder across the proliferating array of media platforms is not a sustainable strategy. If human experience is a medium for advertising, how can marketers engage consumers there in ways they will welcome?

Online Ads in the Four Spheres

Online advertising technologies profoundly enhance marketers' ability to tailor advertising to a consumer's specific context.

Through real-time bidding on online ad exchanges, marketers compete in split-second auctions for the opportunity to serve an ad to an individual consumer on the basis of attributes such as her web-browsing history, social media use, purchase behaviour online and off, location, and demographic profile. Having created as many as several thousand variations of an ad for a standard online ad unit, such as a banner, marketers can choose the version – in a process called dynamic execution – that's most likely to resonate with the recipient. All this happens in 30 to 120 milliseconds (sources vary), from the time a user clicks on a link or types in a URL (initiating an "ad call") to when the web page actually loads. The same technology can be extended to the mobile web and will soon reach all electronic media, including television.

In my work, I advise marketers to approach this medium as a landscape composed of four domains: the public sphere, where we move from one place or activity to another, both online and off; the social sphere, where we interact with and relate to one another; the tribal sphere, where we affiliate with groups to define or express our identity; and the psychological sphere, where we connect language with specific thoughts and feelings.

Marketers have long placed advertising in each of these spheres, but often unwittingly or not strategically. By explicitly mapping their programmes and messaging to these four domains, they can engage consumers in effective new ways. Rather than focusing first on communication strategy and marketing mix, they should begin by considering how consumers live their lives and under what circumstances they will prove receptive to messages in these domains.

The Public Sphere

Advertising in the public sphere typically engages consumers during moments of downtime when they're moving between one point or activity and the next and have attention free for new inputs. Such ads have a long history, of course; beginning in the 1920s, for example, Burma-Shave famously erected sequential signs that delivered rhyming ad messages as drivers whizzed past. More recently, Captivate Network put silent, sponsored screens in office tower elevators, and PumpTop TV put digital displays on gasoline pumps.

In the virtual realm, real-time bidding and dynamic execution enable marketers to buy online ad space and serve up any one of hundreds or thousands of variations of an ad tailored to the consumer's profile and, increasingly, location – within milliseconds (see *Online Ads in the Four Spheres*). As the targeting of such ads improves in the public sphere, they will become less the intrusion they're considered now and more a source of welcome messages. Mobile apps and services that build on these capabilities are a powerful way to reach consumers between activities or in transit, because that's when people reflexively turn to their devices. In fact, a study in the January-February 2013 *HBR* ("How People Really Use Mobile") reported that consumers spend nearly half the time they're on mobile devices "seeking relaxation or entertainment."

Effective public-sphere ads follow one or more of four principles:

They are relevant in context. That is, the message aligns with the consumer's experience at the moment she encounters the ad. The online shoe retailer Zappos understood this when it placed ads in the bins used to move possessions, including shoes, through US airport security. This placement connects idle time in transit with unintrusive but relevant messaging. A billboard related to your needs (a restaurant ad on an interstate) is similarly contextually relevant.

They help people reach personal objectives. IKEA, the global Swedish discount retailer, has integrated its advertising with a range of transportation solutions for customers at its Brooklyn, New York,

WAVE
PRESENTS

business today
MIND RUSH

THE TURNAROUND

Make the worst of times your best of times

IGNITION LAB

Disruptive Innovation: A habit, a practice, a way of life

JOHN KAO, Institute for Large Scale Innovation

NEGOTIATION OUTCOMES

Tips from Science

MADAN PILLUTLA, London Business School

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW
TO AVAIL EARLY BIRD OFFER

www.businesstodaymindrush.com

TV PARTNER: HEADLINES TODAY
RADIO PARTNER: OYE! 104.8FM SABSE FILMI
NEWSPAPER PARTNER: MAIL TODAY Read by those who matter
ONLINE PARTNER: INDIA TODAY.in
BESPOKE GIFT PARTNER: DA MILANO
DIGITAL OOH TV PARTNER: OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

Integrating Ads into Everyday Life

Effective advertising in each sphere of human experience depends on providing relevance and value

ADVERTISING REQUIREMENTS	EXAMPLES
Public Sphere Where we move from one place or activity to another in the physical and virtual worlds	
• Is relevant in its context • Aligns with consumer goals • Provides utility • Is engaging, compelling, and refreshing	• Zappos ads in airport security bins • Charmin pop-up facilities • Duracell Rapid Responder trucks
Social Sphere Where we interact with and relate to one another	
• Is relevant in the social context • Addresses a social need or solves a social problem • Facilitates social interactions	• Diageo whiskey label codes • Walmart Shopycat • Nintendo Wii parties for young moms
Tribal Sphere Where we affiliate with groups in order to express our identity	
• Addresses individual desires for self-expression or identity • Performs as a social signal or a status marker • Provides a form of affiliation • Empowers the individual	• Oakley branded products and decals • Hermès, Gucci, and Louis Vuitton bags
Psychological Sphere Where we connect language with specific thoughts and feelings	
• Provides a new means of articulating ideas • Identifies a brand with an action or an attribute • Links a word to a pattern of thought • Associates the brand with an emotion	• Nike's "Just do it" • Staples' "That was easy" • Life is good, Inc.'s logo and motto

store. The company provides a water taxi and a shuttle bus, branded and painted in its iconic blue and gold, to get from Manhattan and back, and makes it easy to reserve Zipcars – some of them branded as well – in advance of or during a store visit. The buses, boats, and Zipcars serve as mobile billboards for the brand: It's advertising conceived as problem solving.

They are branded interventions, entering the lives of consumers in targeted and useful ways when and where they're desired or needed. Consider the battery maker Duracell's initiative after Hurricane Sandy pummelled the northeastern seaboard of the United States in October 2012. Duracell dispatched Rapid Responder trucks emblazoned with the brand into devastated areas to serve as mobile charging stations, provide people with web access, and, of course, give away its own batteries.

They provide engaging, refreshing, or compelling experiences. Pop-up stores and pop-up trucks, which are surprising, experientially rich, and brand-focused, provide one example. From 2006 to 2010, for instance, Charmin placed temporary public restrooms featuring its products in Manhattan's Times Square during the holiday season, increasing brand awareness and building goodwill. Permanent branded installations, such as the six Hershey's Stores in the United States, Shanghai, Dubai, and Singapore, are another example. So are temporary acts that crop up in the midst of everyday life, including roving Starbucks employees – wearing aprons featuring the company's famous Siren logo – who ply consumers with complimentary cups of hot mulled cider on cold winter days during Christmas holidays.

Ads in the public sphere typically address a specific practical function, but they can also exert infuence in the remaining three spheres, as we'll see.

The Social Sphere

Advertising in the social sphere helps people forge new connections or enrich existing ones. It can turn social interactions themselves into carriers of ad messaging. Like public-sphere advertising, it must appear in the right place at the right time with the right message. To that end, it must be relevant in context, align with social goals, address a social need, and facilitate interaction in innovative ways.

Diageo's "talking bottles" are an example: They reinforce existing relationships while also

INDIA TODAY GROUP

WAVE

PRESENTS

business today

MIND RUSH

THE TURNAROUND

Make the worst of times your best of times

STRATEGY REBOOT

Leadership ideas & what works when!

Vineet Nayar, HCL

WEATHERED WISDOM

What my business taught me about the business of life

N.R NARAYANA MURTHY, Infosys

DECEMBER 13TH & 14TH, 2013

THE OBEROI, GURGAON

REGISTER NOW

TO AVAIL EARLY BIRD OFFER

www.businesstodaymindrush.com

TV PARTNER: HEADLINES TODAY

RADIO PARTNER: OYE! 104.8 FM SABSE FILMI

NEWSPAPER PARTNER: MAIL TODAY Read by those who matter

ONLINE PARTNER: INDIA TODAY.in

BESPOKE GIFT PARTNER: DA MILANO ITALIA

DIGITAL OOH TV PARTNER: OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com/BT_India

reinforcing the brand. Indeed, any advertisement that consumers are inspired to pass along serves this purpose. Several million people have shared Procter & Gamble's comical Old Spice video ads online, delighting friends, cementing connections, and immeasurably boosting the brand.

Walmart's Shopycat and other gifting platforms advertise by addressing social needs, such as finding the right present for a friend. Shopycat generates gift recommendations for consumers' Facebook friends; it was launched in 2011 through a rollout to the 11 million fans who "liked" the retailer's page. The system uses semantic intelligence to interpret users' comments – noting, for example, that an individual did or didn't like a book or movie – and make tailored recommendations. Another form of social-sphere advertising uses a promotional event to help consumers achieve social ends. Taking a page from the Tupperware playbook, Nintendo fuelled the highly successful launch of its Wii video games console by identifying women who fit the "young mom" profile and providing them with everything they needed – game consoles, catering, and event management – to host Wii parties and connect with other moms. It also unleashed a "backyard fence"-style word of mouth, online and off, that engaged a demographic that normally pays little attention to video or electronic gaming.

Advertising that leverages tribal affiliation must suit the character and values of those involved; provide a social signal or status marker; and empower the individual

The Tribal Sphere

Whereas the social sphere emphasises broad, diverse networks, the tribal sphere is the domain of more-focused social engagement; here marketers can use or help create consumers' identification with groups. Advertising that leverages tribal affiliation must suit the character and values of those involved; address desires for identity, self-expression, and membership; provide a social signal or status marker; and empower the individual.

Consider, for example, a cult brand like Oakley, with its high-performance sunglasses, goggles, and apparel, which relies heavily on tribal positioning. Not only do customers wear branded Oakley products, they also display the logo separately – by, for example, sticking decals on their cars. The brand name, detached from the product, signals inclusion in a tribe dedicated to extreme sports and athletic excellence.

Yelp and similar online sites use tribal status as a core engine of their business. Yelp is populated exclusively by user-generated reviews of offline venues ranging from restaurants to cultural institutions. Today it hosts nearly 33 million local reviews and claims roughly 84 million unique visitors a month. The leading producers of site content, however, are not a broad-based group. Rather, many reviews come from what the company calls its Elite Squad, whose members are invited to social events at restaurants, nightclubs, and museums and are celebrated as belonging to a tribe. Their strong sense of affiliation makes them powerful brand ambassadors who spread positive word of mouth about Yelp online and off.

Starbucks, too, has done major social media outreach to bolster tribal identity. Maybe its most clever move of late was to link the online and offline worlds, awarding status markers – special barista badges – to people who have become "mayors" of individual Starbucks stores by virtue of their number of Foursquare check-ins. These badges entitle their wearers to store discounts.

Tribal-sphere advertising is of course not limited to the masses. Luxury brands commonly use conventional mass media advertising while relying on their customers to deliver the most powerful ad messaging of all. Hermès, Gucci, and Louis Vuitton all depend on consumers' desire to signal their social status – their group affiliation – by showcasing logos and brand names.

The Psychological Sphere

This is the domain of language, cognition, and emotion. Obviously, all advertising ultimately operates here in one way or another. But ads optimised for this sphere are designed to insert words, phrases, or emotions into a consumer's psychological processes, where they serve as shorthand for complex concepts, inspiring action or triggering positive feelings. The principles that guide successful advertising in the psychological realm are simple: Such ads provide new ways to *articulate ideas, engender habit formation, guide reasoning, and elicit emotion.*

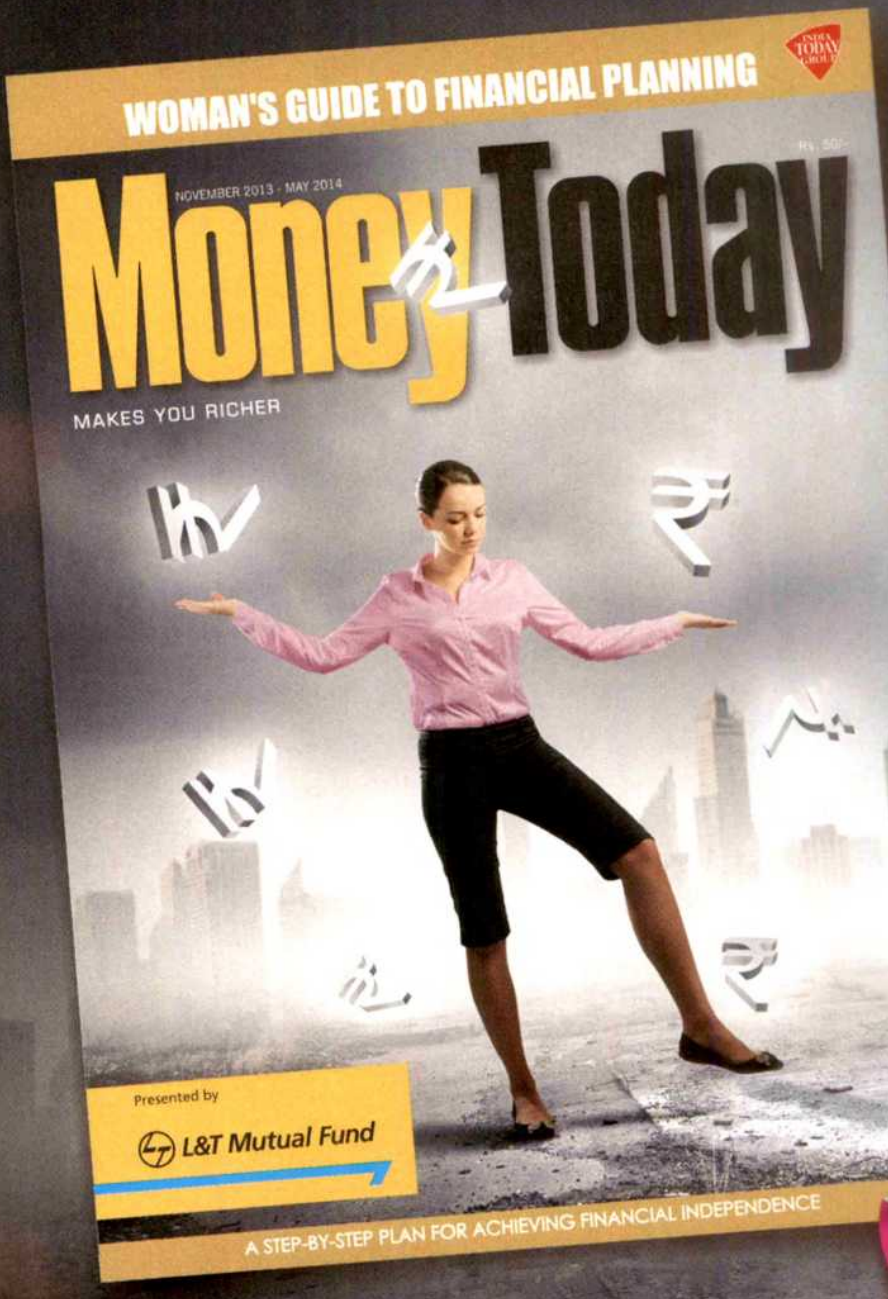
Psychological-sphere ads typically operate in one of four ways:

They use language to establish a cognitive beachhead for a brand. They may coopt commonplace words or phrases, as Staples did with "That was easy," Apple with "Think different," and Nike with "Just do it."

CONTROL YOUR MONEY

Everything women need to save and invest

THE ESSENTIAL MONEY GUIDE FOR EVERY WOMAN



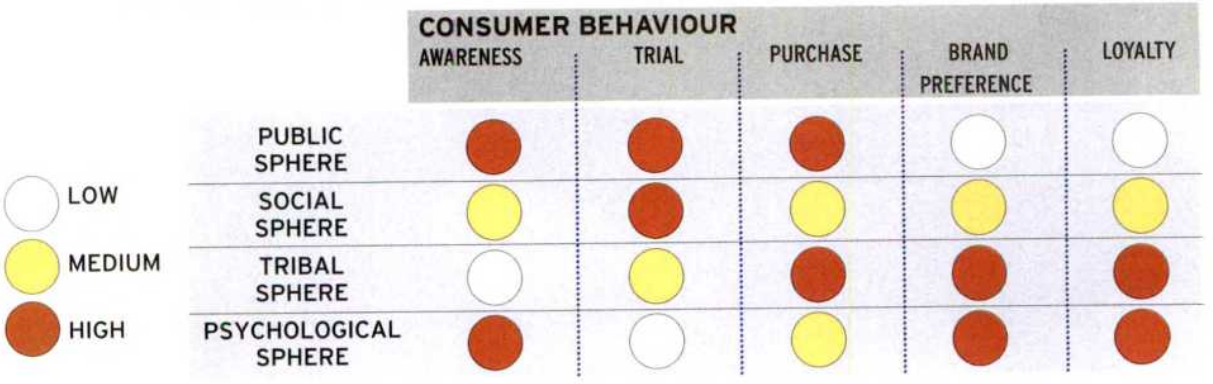
NOW ON STANDS

PRESENTED BY

L&T Mutual Fund

Choose the Right Sphere to Achieve Your Goals

Though advertising in any of the four spheres can promote marketing objectives, each one has varying levels of influence on consumer behaviour



Nike's motto is synonymous with the brand and associated with the goal of achieving one's personal best – in other words, it's both an ad and a motivator. Psychological-sphere ads may also move brands into the language, usually as verbs: Think of Xerox, Google, and FedEx. Similarly, brands may use words to identify themselves with an action or an attribute and thus "own" familiar words in a new way, as Facebook has done with "friend" and Twitter with "follow." They may coin memorable words or phrases, like Budweiser's "Whassup?" and Taco Bell's "Yo quiero Taco Bell," which took on lives of their own for consumers, reinforcing ad messages every time they came to mind. Countless consumers daily utter Verizon's "Can you hear me now?" for purely practical reasons; but each time, they reinforce both brand awareness and the implication that Verizon has the best network.

They seek to create habits. "Just do it" nudges consumers to run every day or aspire to their personal best. Alka-Seltzer's "I can't believe I ate the whole thing" was conceived years ago to train consumers to reach for the company's product after every excessively large meal.

They guide cognition. IBM has used "THINK" since its founding to inspire employees and project its values to the outside world – just as, more recently, the *Economist* has promoted "Think responsibly" and "Think someone under the table." Google's "Don't be evil," famously included in its IPO prospectus, became a mantra for entrepreneurs and consumers alike (despite some scepticism about Google's capacity to abide by it). Josh James, the founder of Omniture, a web analytics company now owned by Adobe, developed a simple phrase, "Think, go, do," as the corporate mantra and brand tagline. From a cognitive perspective, it's both inspiring and practical. And Oneupweb, a digital services company that aims to connect customers with brands in every way possible, operates according to a simple admonition: "Be relentless." It, too, advertises the brand and guides thought.

They connect a brand with a mood or an emotion. Consider the brothers Bert and John Jacobs, who had been selling T-shirts door-to-door at colleges and street fairs, with limited success. Everything changed when they created a shirt featuring a happy-looking character, Jake, and his motto, "Life is good." The shirt generated an immediate positive emotional response among their friends. Today Life is good Inc. sells some 900 items through 4,500 retail stores and more than 100 independently owned shops. Although the company's retail partners may use conventional forms of advertising, Life is good Inc. advertises only through the prominent logo and slogan displayed on the products its customers buy. It is rooted in the psychological sphere, promoting a frame of mind – optimism – captured in a phrase.

Placing Ads in the Spheres

Although advertising in the four spheres has similarities to conventional ad campaigns, it takes a customer-centric rather than a media-centric approach. Instead of focusing first on which media to emphasise in a campaign – television, web, mobile, outdoor displays – marketers should start by determining how the envisioned advertising can integrate into consumers' lives in ways that deliver value and win their trust. The notion of a conventionally finite ad campaign becomes less relevant. Advertising in the spheres is designed to establish a sustained presence that ranges from branded utility to instrument of thought.

The following five steps offer a useful framework for applying these ideas:

MAIL TODAY
Read by those who matter

INDIA TODAY GROUP

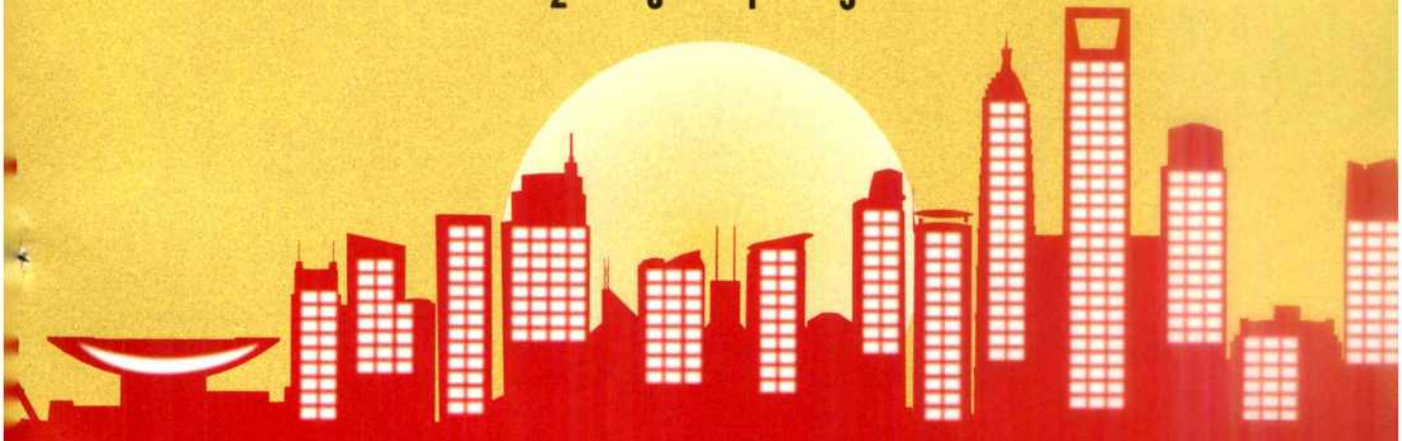
LOTUS GREENS
QUALITY WITH RESPONSIBILITY

PRESENTS

MAIL TODAY

REAL ESTATE CONCLAVE

2 0 1 3



A Common Agenda:
Building a New NCR

The best people at the helm of affairs and the sharpest minds in the business will be there to share their perspectives and look at the roadmap of Real Estate development. Participation in such a forum will add a distinct knowledge about the state of affairs and provide the edge to look at the future.

RSVP

Saurav Parmar (M: 07838800397)
Email: saurav.parmar@intoday.com

Ajay Sharma (M: 09871124562)
Email: ajaykumar@mailtoday.in

ENTRY BY INVITATION ONLY

Date	Time	Venue
November 30, 2013	10.00 a.m. onwards	Taj Mahal Hotel, New Delhi

TV Partners: दिल्ली आजतक | HEADLINES TODAY

Radio Partner: OYE! 104.8FM SABSE FILMI

Online Partner: INDIA TODAY www.indiatoday.in

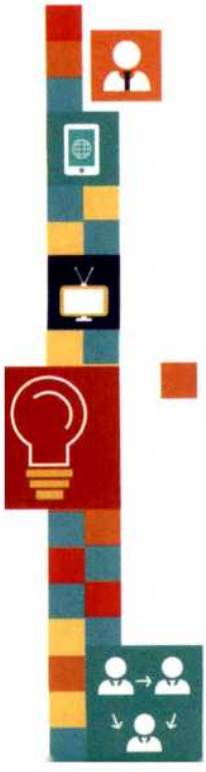
1. Define objectives first from a consumer's, not an advertiser's, point of view. Marketers often fail to clearly articulate their strategic goals at the outset, or the objectives they choose are vague, media-focused, or excessively broad. With a spheres strategy (and proliferating media in which to use it), clear objectives and priorities are more important than ever. Is the primary goal of the campaign to build awareness? Encourage consideration? Drive purchase? Reinforce loyalty?

2. Target the campaign to create value for consumers. Each of the spheres offers specific strengths; choosing which sphere or spheres to emphasise in an advertising effort initially and as it evolves depends on determining where the consumer's and the advertiser's objectives intersect.

To win consumers' attention and trust, marketers must think less about what advertising says to its targets and more about what it does for them

Companies applying this model have found, for instance, that advertising in the public sphere drives awareness, trial, and purchase, and advertising in the tribal sphere drives purchase, brand preference, and loyalty. (See *Choose the Right Sphere to Achieve Your Goals.*)

3. Test, listen, and adjust ads to improve the customer experience. Like traditional advertising strategies, a spheres-based approach requires dynamic testing. Even in the appropriate sphere an ad campaign may be ineffective for a variety of reasons. Therefore it's critical to "listen" to the intended targets of a campaign with the technological and conventional tools available – from automated online behavioural tracking and monitoring of social chatter to anthropological observation of consumers in the physical world – and adjust course in real time. Facebook's Beacon, which alerted friends whenever one of them made an online purchase, caused an immediate backlash; Facebook quickly pulled it and shifted to less invasive efforts such as serving targeted online ads.



4. Evaluate an expansion strategy. Depending on results or the shifting objectives of a campaign, marketers may withdraw advertising from one sphere or extend it into additional spheres. For example, an effective social-sphere campaign may lead a loose social group to start acting like a "tribe" in which individuals express their identity through affiliation. BMW motorcycle clubs began as loose social affiliations and shifted over time into close-knit user groups, not unlike the intensely tribal Harley Owners Group. Similarly, advertising in the public sphere may produce a word or phrase association that can be reinforced and exploited with ads specifically designed for the psychological sphere.

5. Constantly look for ways to refresh the message. Consumer attitudes and behaviours are evolving at an accelerating pace. Marketers must constantly gauge campaign performance and adapt their approach in real time. This is fundamental for advertising in the public sphere, where messaging must play a useful, contextually appropriate, and value-creating role in people's daily lives, but it applies equally to advertising in the other three spheres. For example, many brands maintain their relevance in the psychological sphere by refreshing either their message (as in taglines and brand promises) or their treatments; think of the numerous times Coca-Cola has changed its logo and taglines without (in contrast to Pepsi) losing the fundamental consistency of its brand. And consider how social networks and consumer tribes morph over time; having a fresh message is essential to maintaining a campaign's relevance and value. The tagline of Twitter, an engine of tribal behaviours, has evolved from "A Whole World in Your Hands" to "What are you doing?" to "Follow your interests" to the current informative if wordy "Find out what's happening, right now, with the people and organisations you care about."

ALTHOUGH ADVERTISING woven into the context of consumers' lives is less interruptive than conventional advertising, it is also more constant. If marketers abuse the tools at their disposal, their advertising can transform from "present and valuable" to "invasive and exploitative." Thus they must not only get "permission" from the consumers they approach but also engage them with deep respect. Advertising in the public, social, tribal, and psychological spheres works only when it is welcome and useful; the moment it assaults the senses, invades privacy, seeks inappropriately to extract value, or otherwise abuses consumers, they will reject it or, worse, react with a scorching backlash. ◆

Jeffrey F. Rayport *advises corporations and private equity firms focused on retail, information, and marketing services. He is a founding faculty member of Omnicom University and the managing partner of the digital strategy firm MarketspaceNext.* *This article was published in* HBR, *March 2013. Copyright ©2013 Harvard Business School Publishing Corporation. All rights reserved.*

INDIA TODAY GROUP

WAVE
PRESENTS

business today
MIND RUSH

THE TURNAROUND

Make the worst of times your best of times

WHAT CLICKED & TRANSFORMED ME!

DEEP KALRA, MakeMyTrip

SACHIN BANSAL, Flipkart

SASHA MIRCHANDANI, KAE Capital

RIYAAZ AMLANI
Impresario Entertainment & Hospitality

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW
TO AVAIL EARLY BIRD OFFER

www.businesstodaymindrush.com

TV PARTNER: HEADLINES TODAY
RADIO PARTNER: OYE! 104.8FM SABSE FILMI
NEWSPAPER PARTNER: MAIL TODAY Read by those who matter
ONLINE PARTNER: INDIA TODAY.in
BESPOKE GIFT PARTNER: DA MILANO
DIGITAL OOH TV PARTNER: OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday
twitter.com/BT India
linked.com/company/business-today

Harvard Business Review

Stand tall. **Above all.**

INDIA TODAY GROUP

Subscribe to HBR South Asia
and get **complimentary access to HBR webinars**
worth ₹ 6,000

HBR webinars, a series of online interactions with leading management experts, is now included with your HBR South Asia subscription.

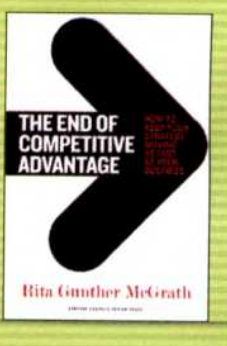
For subscription enquiries, please contact Rohit Chauhan
Mob: +91 99109 91115. Email: subscribehbrsa@intoday.com

A **Harvard Business Review South Asia** webinar

The End of Competitive Advantage

by

Rita Gunther McGrath
Author, Speaker & Consultant.



Thursday, December 12, 2013 ▪ 5:30 pm – 6:30 pm

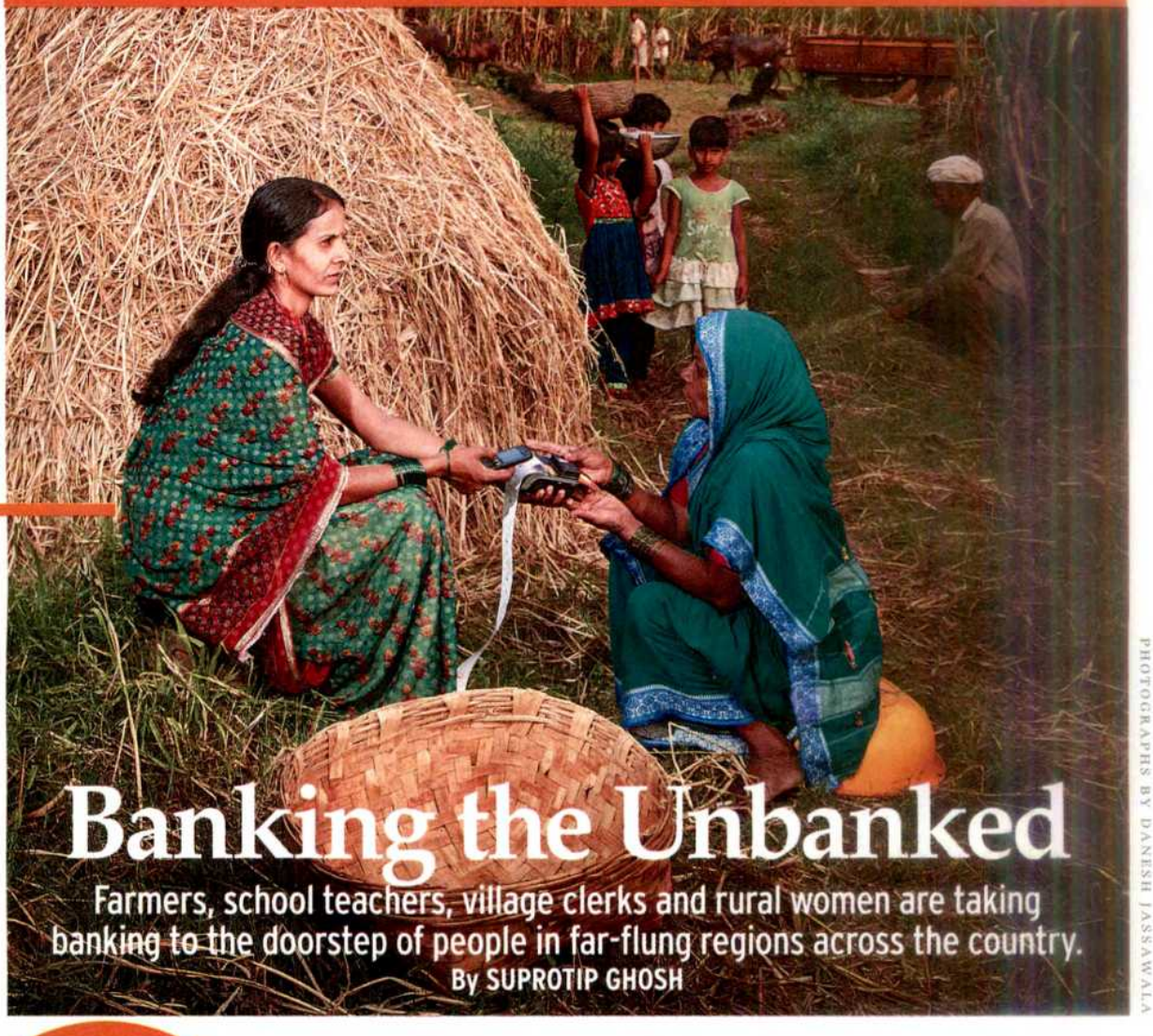
FREE ACCESS FOR HBR SOUTH ASIA SUBSCRIBERS

Registration Categories (for non-subscribers)

Individual User	Corporate / Institutional User
₹ 1,500	₹ 5,000 (access limited to 5 IDs)

To join, register now at **www.webinar.hbrsasia.org** or contact

Rohit Chauhan: Mob: +91 99109 91115. Email: rohit.chauhan@intoday.com
Shanta Kanjilal: Mob: +91 88003 83388. Email: shanta.kanjilal@intoday.com



Banking the Unbanked

Farmers, school teachers, village clerks and rural women are taking banking to the doorstep of people in far-flung regions across the country.

By SUPROTIP GHOSH

PHOTOGRAPHS BY DANESH JASSAWALA

Dipali Patil (left), banking correspondent in a Maharashtra village, handles gadgets needed for her job with ease.

Malubai Maruti Takde, a 55-year-old grandmother in a Maharashtra village, walks past a sugarcane field as the sun sets over low hills some distance away. She stops near a haystack to meet Dipali Sardar Patil, who fishes out a mobile phone and biometric scanner from a bag, punches a few numbers, hands over some money to Takde and walks away. It's a routine that is repeated almost every other week. Takde either deposits or withdraws a little cash from Patil for a saree, a gift for her grandchildren or just to go to the local fair.

Patil is a twentysomething mother of

INDIA TODAY GROUP

Tribute to your Success

INDIA TODAY SUCCESSORIES

IT DIARIES & PLANNERS

Blending proven competence, sheer elegance and unparalleled features, a supreme collection emerges – India Today Diaries and Planners. Bound in premium quality material, the collection stands apart from the rest and marks a new identity. Experience a touch of class in scheduling, this year.

YEAR BOOK
The Hallmark of Leaders

- Inspirational leadership quotes
- Gold embossed cover
- Gilt edged pages

FREE TRAVEL COMPANION

Range: Rs.695 – 1200

DIARIES
Accessories for Success

- Formats and sizes to suit individual lifestyles or business needs
- Aesthetically designed

Range: Rs.99 – 675

PLANNERS
Organisation on the Go

- Superior quality jackets
- Imported clips
- Calculators, cellphone case, visiting card holders

FREE STICONS

Range: Rs.600 – 1595

NON-DATED SUCCESSORIES
Uniqueness in Thought

- Planners & Note Books
- Handy, catchall for conferences, travel etc.
- Vibrant colours

NEW

Range: Rs.245 – 795

GIFT SETS
The Differentiation Factor

- Diary set – set of 3 diaries
- Bonded Leather Diary set with executive wallet
- Planner set

Range: Rs.1200 – 2195

AUTHORISED DEALERS AND DISTRIBUTORS:

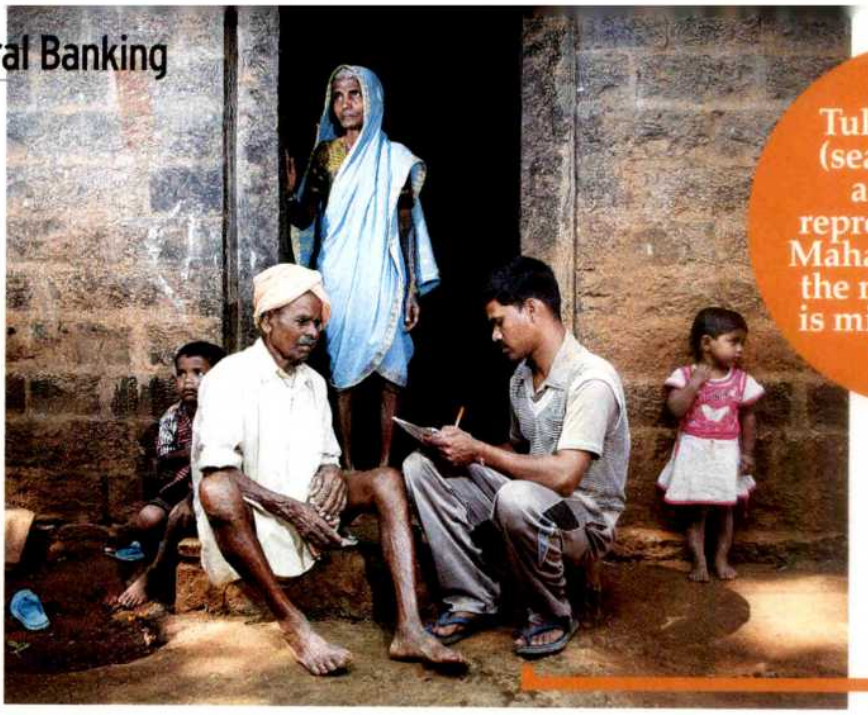
NORTH ZONE Manish Kumar Srivastava, Ph.: 9873437363 E-mail: manish.srivastava@intoday.com, Sharad Khanna Ph.: 9873626662, sharad.khanna@intoday.com
New Delhi Quill Stationery & Office Supplies (P) Ltd. Ph.: 011-23417054/41513132/23418140/9810499446; Crossword Bookstores Ltd. Ph.: 011-46098500 Agra Cantt The Modern Book Depot Ph.: 0562-2225695/9760062181 Ajmer Geeta Pustak Bhandar Ph.: 0145-2431135/ 8890106148 Allahabad New Pen Store/Nagar's Store Ph.: 9839920232; Teknix Ph.: 9335112168/ 9415215397 Amritsar Chimni's Ph.: 9814038639; Pt. Beli Ram & Sons Ph.: 0183-2550285/9815022966/9888384103 Bareilly Syndicate Book Depot Ph.: 0581-2576785 Bhatinda Surendra Departmental Store Ph.: 9855276761/9814505225; Mittal Associates Ph.: 9417723151 Bikaner Asa Ram Khatri Ph.: 9414339201/7737960762 Chandigarh English Book Shop Ph.: 0172-2721184/9814110136; Capital Book Depot Ph.: 0172-2702260/ 2702594/9815083780 Dehradun The English Book Depot Ph.: 0135-2655192/2710958/2658730; Book World Ph.: 0135-2655845; Office Super Store Ph.: 0135-2741237 Faridkot Gupta News Agency Ph.: 01639-251328 Gorakhpur Student's Corner Ph.: 0551-2330337/2338059/2338700/9305660526 Haldwani Puran Mal & Sons Ph.: 9927856789 Hoshiarpur Ghuman News Agency Ph.: 01882-233335/9356158452 Jaipur Rajesh Manish Agencies Ph.: 0141-2326019/9461070071/ 9829139626; Delhi Stationers & Printers Ph.: 0141-4013515/ 9828104491 Jalandhar Khurana Book Store Ph.: 8968972171/ 9888241085 Jammu Sadhna Pen Store/Kumar Pen Store Ph.: 0191-2578432/9419135033/9419234225; M/S Sahitya Sangam Ph.: 0191-2562191/ 9419190177/ 9419124434; Sahitya Sangam Book Point Ph.: 0191-2471205/9419143088; Jhansi Variety Book House Ph.: 0517-2471312/2470312/ 9415073363 Jodhpur Latest Magazine Centre Ph.: 0291-2620686/09314710365/ 9314332111; Rathi's Media Centre Ph: 0291-2513580/9829023580/ 9314040087; Sarvodaya Book Stall Station Road Ph.: 0291-2653734/2653735/ 8107539141/9414877100; Welltrade Ph.: 0291-2430824/ 9414130824 Kanpur Khandelwal Traders Ph.: 0512-2215989/9336113583 Karnal Reader's Paradise Ph.:0184-2251153/9896255566/ 9896111128; Ramesh Kumar Jain Ph.: 9813223232 Kota Bhandari Stationers Ph.: 9414179108/ 0744-2392876; Chaman Book Agency Ph.: 0744-2323377/2405824/ 9829036318; Oswal News Agency Ph.: 0744-2360578/9352603367 Leh Ladakh News agency Ph.: 9878878880 Lucknow Modern Magazine Distributors Ph.: 0522-2611829/9335911140; Universal Booksellers Hazrat Ganj Ph.: 0522-3919708/9839020290; Kalakunj International Ph.: 0522-2612783/9452274811; Universal Booksellers Gomti Nagar Ph.: 0522-3234057/9839011437; Universal Book Centre, Kapurthala Ph.: 0522-2329641/2374548; Universal Book Centre Mahanagar Ph.: 0522-2339380/4026849; Minoo & Dinshaw Booksellers Ph.: 0522-2624253 Ludhiana Sardar Stores Ph.: 9872290515/ 9888102837 Meerut Naveen News Agency Ph.: 0121- 2661646/ 2656215/2656215/9837291137 Moradabad Asia Book House Ph.: 0591-2320503/ 9897937774 Pathankot Bhatia Book Depot/Vishal Book Depot Ph.: 0186-2221916/9417459022 Patiala Reader's Paradise Ph.: 0175-2215170/ 9815521218 Rishikesh Sanjay News Agency Ph.: 2430968/ 9927016595 Srinagar Janta Agencies Ph.: 0194-2474755/9419066192; Basheer & Co Ph.:0194-2310272/2312842-43/ 9419006536; Becco gallery Super Stationery Store 0194-2310272/ 2312842-43 Udaipur O P Book Stall Ph.: 9887955068/9785082905 Varanasi A P Singh Ph.: 0542-2220060/ 2221511/ 9415697883/9415222684

EAST ZONE Joydeep Roy, Ph.: 9831152454 E-mail: joydeep.roy@intoday.com Agartala Monarch Ph.: 0381-2383887 Bhubaneswar Pen Hospital Ph.: 0674-2534310/2534796/9437001514; Oxford Bookstore Ph.: 0674-6546899/9776512428/8598896818 Dhanbad Vivek Bhatia Stationers Ph.: 9931557373/9709152201 Guwahati Modern Book Depot Ph.: 0361-2638435/9207043276/ 9864068121 Kolkata Apeejay Oxford Ph.: 033-44035455/44035544; Diaries Exhibition Ph.: 9831000009/9831090909; Emami Retail Pvt. Ltd./Emami Frank Ross Ph.: 9903930332; Oxford Bookstore- Park Street Ph.:033-22297662/ 9903425731; Oxford Bookstore Junior Ph.: 033-32625511/9831777039; Crossword Bookstore -Elgin Rd Ph.: 9830470000; Crossword Bookstore- City Centre Rajarhat Ph.: 033-25266224; Crossword Bookstore- City Centre Salt Lake Ph.: 033-40063193; Ajay Stores Ph.: 8334980004; The Modern Book Depot Ph.: 033-22490933, 22493102 Patna Brite Stationers Ph.: 0612-2218497/2206664/9334488665 Ranchi Kailash Stores Ph.: 0651-2215379/2215183/ 9431115676 Siliguri NB Modern Agencies Ph.: 0353-2521297/2432349/ 9434001186; Jamshedpur Harsukh Rai's & Co.(Jayant H Kharal Ph.: 9334415158

WEST ZONE Rajesh Menon, Ph.: 9619075353 E-mail: rajesh.menon@inteday.com, Dharmesh Vyas, Ph.: 9825586789 E-mail:dharmesh.vyas@intoday.com Ahmedabad Crossword Ph.: 079-26468031; Antakshri Ph.: 079-25434441; Raj Stationers Ph.: 079-26300845; Aekta 079-26444778; Shiv Sales Ph.: 079-40034544/9824519946; Chandra Enterprise Ph.: 9825580640 Baroda Kalpana Book Sellers Ph.: 0265- 2436865; Umakant Book Sellers Ph.: 0265-2359633/9824014209; The Shoppee Ph.:0265-2333620; Kalptaru Agencies Ph.: 0265-2225962/ 9998216539; Umakant Traders Ph.: 0265-2412168/2412155/ 9825824063; Crossword Ph.: 0265-2333338/9974016370; Jai Collection Ph.: 0265-2350929/3081669 Bhilai Bhilai Nu Lite Ph.: 0788- 2261962 Bhopal Jay Stationery Super Store Ph.: 0755-2542922/2543922; Variety Gallery Ph.: 0755-2467480; Variety Book House Ph.: 0755-2556022/2554057 Gandhidham Amritlal Hirji Pandya 2836-220212/238212/9825237212 Gwalior Kumar Brothers Ph.: 0751-2373597 Indore S.N. Enterprises Ph.: 9826284655 Jabalpur Prem Book Depot Ph.: 0761-2625840; Vaibhav Stationers Ph.: 0761-4012533/2405300/4066000 Pune Onkar Enterprise Ph.: 0761-4012533/2405300 /4066000 Jamnagar Paras Book Stall Ph.: 9426453636 Katni Modi Enterprises Ph.: 9425157170 Mumbai Asiatic Ph.: 022-40731800; Satyam Stationery Ph.: 022-22854704/42138888; Mango Stationeries Ph.: 022-67484300; Jagruti Stationers Ph.: 022-22041122/22824849; Crossword Ph.: 022-61916191; Poonam Stationeries Ph.: 022-22665099/26633764 Nagpur Mayur Stationers Ph.: 0712- 7122540/506/ 9326210314 Nashik Jyoti Stores Ph.: 0253-2306700/701/711 Shri Jyothi Book Sellers & Stationers Ph.: 0253-2306702/2306716 Pune Onkar Enterprise Ph.: 0761-4066000/020-24451173/ 24484428; Venus Traders Ph.: 020-24457023/ 41006432/6433; Crossword Ph.: 020-26059600/56033049/25537005; Raipur Laxmi Stationery Stores Ph.:0771-2227068/9424203838/9826113902; Alankar Stationers Ph.: 0771-4270600 Rajkot Rajesh Book Stall Ph.: 0281-2233518/9924133518 Surat Urvish Stores Ph.: 0261-2475102/2463945/9979460007; Marsel Distributors Ph.: 9275021483 Thane Arihant Stationers Ph.: 022-64531234/9773561234

SOUTH ZONE Deepak Bhatt, Ph.: 9840662174 E-mail: deepak.bhatt@inteday.com; Bengaluru V.Premkumar 8197103366; Landmark Forum Ph.: 220-67777/42404240; Landmark Orion Mall Ph.:080-65771227; Sapna Book House Ph.: 080-40114455 Calicut Pai & Co. Ph.: 0495-2302851 Chennai ALV Moorthy Ph.: 9444170643; R Santhanagopalan Ph.: 9940684781 Coimbatore Kasturi News Agency Ph.: 0422-2301083/9842230108/7373030108; Sapna Book House Ph.:0422-4629999 Hyderabad Kanaka Durga Ph.: 9848607040; Deccan Pens Stores Green Lands Ph.: 040-66786455/ 66987755/9849574449 Hubli Sapna Book House Ph.:0836-4249999 Kochi Pai & Co. Ph.: 0484-2355835/2361020/9849574449 Kottayam Pai & Co. Ph.: 0481-2562391 Madurai College House Shoppers' Shop Ph.: 0452-2347354/9843174735 Mangalore ; 0824-4232800 Mysore Sapna Book House Ph.:0821-4004499 Pondicherry Focus, The Book Shop Ph.: 0413-2345513 Port Blair Parimala Enterprises Ph.:03192-230313/ 9434269862 Secunderabad Deccan Pens Stores Ph.: 27813020/66493020/9849574449 Thiruvananthapuram Style Plus Ph.: 0471-2727374; Ideal books Ph.: 0471-2461245 Tirunelvely Eagle Book Centre Ph.: 0462-2578899/9443933333 Vishakhapatnam Jyoti Book Depot Ph.: 0891-6645757/6645858/9849121201; Gupta Bros Stationery Ph.: 9848254999 Vijayawada Ashok Book Centre Ph.: 2476966/9849082096; Om Art Print Ph.: 0866-2579223

www.indiatodaydiaries.com www.facebook.com/successoriestoday twitter.com/ITsuccessories



Shahji Tukaram Patil (seated, right), a banking representative in Maharashtra, says the nearest bank is miles from his village.

two whose husband is a peon in the Vamte village panchayat. She speaks little English and lives in a traditional house close to a field, far from the hi-tech world of India's cities. But she handles the gizmos in her hand with unusual flair. She says the gadgets have helped change her life in many ways: they have given her more confidence and taken her out to meet a lot more people. "*Bluetooth se connect hota hai* (They are connected through Bluetooth)," she says, with the air of a professional.

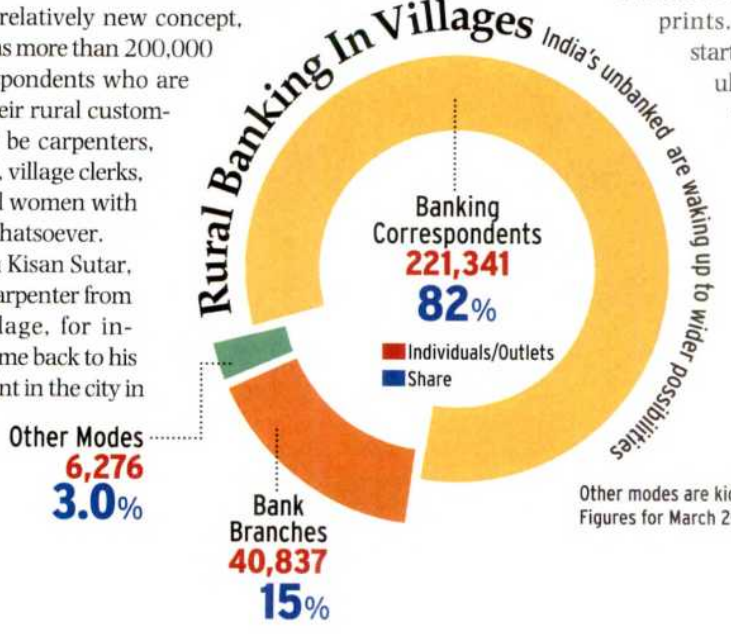
Her tech-savvy manner and professionalism may seem incongruous, but they are not that unusual. Patil is one of thousands of so-called Business Correspondents, or local bank representatives, who are taking banking to the doorstep of people in far-flung villages across the country. They help mostly illiterate Indian villagers understand the basics of banking in line with the Reserve Bank of India's 2009 guidelines on bringing the unbanked population into the fold of banking. The central bank said the process of financial inclusion involved access to banking and credit markets as well as financial education. Though still a relatively new concept, India already has more than 200,000 business correspondents who are as diverse as their rural customers: they could be carpenters, school teachers, village clerks, farmers or rural women with no education whatsoever.

Take Dagdu Kisan Sutar, a 28-year-old carpenter from Mahavade village, for instance. Sutar came back to his village after a stint in the city in the construction industry, and became a business correspondent about seven months ago. The decision made sense: Mahavade lies about 10 km from the nearest bank that stands between thatched huts and traditional village houses with colourful motifs. Already, Sutar has about 70 customers who he helps when he's not bent over his carpentry tools in his workshop near his house.

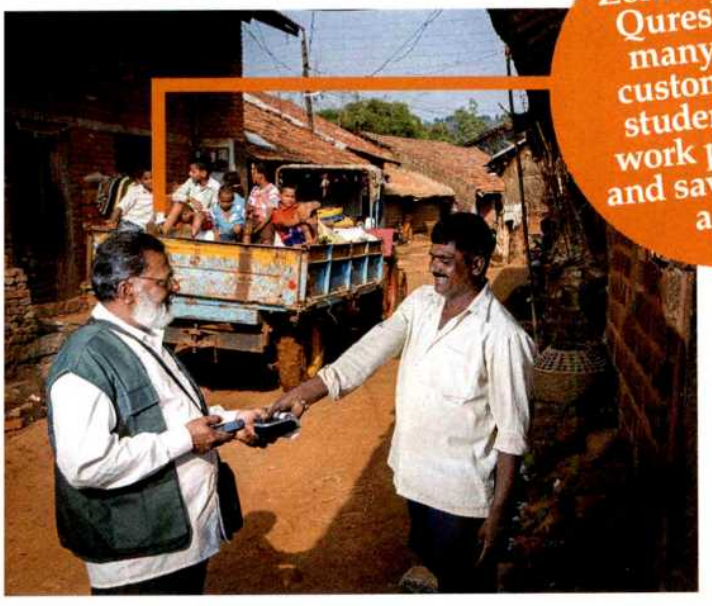
Many business correspondents juggle two or sometimes even more jobs, but some make a living from doorstep banking. Take 40-year-old Ramkishore Yadav from Madhya Pradesh's Hoshangabad district, for example. He was part of the non-medical staff at a private hospital in Kesla town for some years before he started a small computer kiosk to teach local youth the basics of computers. About two years ago, he came across a State Bank of India advertisement in a local newspaper for business correspondents in this predominantly tribal district.

A few phone calls later, Yadav was in a training session where he learnt how to open accounts and operate a biometric machine that reads fingerprints. Back in Hoshangabad, he started working with the local population: initially, he used to go to villages with State Bank of India employees, who would organise awareness campaigns. But later he began bringing in more clients on his own. Yadav's efforts have paid off: today, he has close to 7,200 customers under his belt.

Do his clients under-



Other modes are kiosks, offsite rural ATMs and mobile vans
Figures for March 2013 (Source: RBI)



Zohair Mustaq Qureshi says many of his customers are students who work part-time and save a rupee a day.

stand deposits and withdrawals, or tenors and interests? Yadav says they were mystified initially, but understood the concepts quickly. It didn't take them long to start coming with the cards, and depositing or withdrawing their cash. He says most of the people who come to him are labourers looking to withdraw money. Only one in four people deposit money, mostly small amounts between ₹100 to ₹200. Another business correspondent, Malkhan Singh of Madhya Pradesh's Panna district, says it typically takes at least a year to convince customers about the benefits of banking. Singh, who comes from a family of farmers, says his mode of operations is to visit gram sabhas in every one of Panna's 20 villages and explain the virtues of banking to villagers.

Being a business correspondent isn't the most lucrative business: they earn as little as 50 paise a transaction and there is little room to increase the transactions because there are only so many people in an area. But people are attracted to the job for other reasons. Archana Yuvraj Rohile of Mahavade village was not deterred by the small size of the transactions. She used to work in Kolhapur, but did not get enough time with her husband and two children. She returned to the village where she now does household work and tends to livestock until late afternoon when her husband leaves for work at a spinning mill. That's when she finds time to start her job as a village banker. "I ask my kids to watch TV and go out for work," she says. "People call me madam in the village, because I tell them what to do. The government has appointed us for our benefit, that's why I do it."

Villagers say banking correspondents have changed their lives. Several remote areas in India do not have a bank and only a small percentage of the population has a bank account. Earlier, pigmy agents, or agents of microbranches of banks who travel from village to village, were the only contact points for a bank. If people missed them when the agents came around, there was no alternative but to wait until they came back. Not any more. "Now they (business correspondents) are always around," says Ravindra Lohar, who runs a small shop selling halwa and mobile recharge coupons.

The numbers are telling. Banking correspondents have opened 8.12 crore savings accounts with deposits of ₹1,822 crore across the country already. Many of their customers are farmers, small shopkeepers, labourers and rural women who have never had access to a bank until now. Banking correspondents say most of their customers are women, some who save in tens of rupees. Zohair Mushtaq Qureshi says many of his depositors are students who also work part-time and deposit as little as one rupee a day. "We don't have a bank in our village, the nearest bank is many kilometres away," says Shahji Tukaram Patil, a 32-year-old father of two sitting in a two-storey wooden house in a Maharasthtra village.

Banks say they normally look for people with an entrepreneurship streak when they appoint business correspondents. Given the small transaction amounts, it is not always easy to make a lot of money in such rural banking. Nevertheless, according to industry estimates, some entrepreneurial representatives can make up to ₹50,000 a month. "One of the biggest reasons why we pick up some people is an entrepreneurial streak. It is not a nine-to-five job," says Abhishek Pandit, director, business services, AISECT, a non-profit organisation that trains business correspondents. "We want him to serve the villagers; so only if he is entrepreneurial, will he succeed." ◆

Changing Lives

* Savings account details until end March 2013
(Source: RBI)

@suprotip

INDIA TODAY GROUP

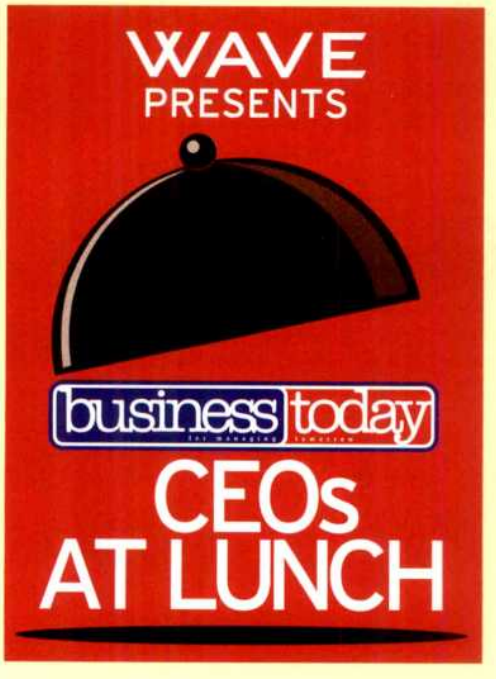
The High Table OF BUSINESS

A power meeting of a small, select group of the country's top corporate citizens.

on Friday, November 22 at ITC Grand Central, Mumbai

Reviving Animal Spirits

The How-To Prescription from India's Business Capital



HOSTED BY

By invitation only

business today
FOR MANAGING TOMORROW

INDIA TODAY GROUP

Beat Stress
with Business Today

Business Today: A 10,000 Ft, 360 Degree View offers

- Deep insights into the **CORPORATE WORLD**
- Exclusive Interviews with **TOP BUSINESS PERSONALITIES**
- **SPECIAL FEATURES** that mine data to analyse a range of topics
- All the latest **TRENDS and EVENTS** in the world of business and economy

SUBSCRIBE FOR 2 YEARS AT ₹1755/-

Term	No. of Issues	You Pay (₹)	You Get
2 Years	52	~~2080~~ 1755/-	Save 15% + Get a USB Massager
1 Year	26	~~1040~~ 885/-	Save 15% on the Cover Price

Best Buy

2-YEARS SUBSCRIPTION GIFT

USB Massager

- Handy when sitting long at work
- Plugs into USB port, or use with AAA batteries

Please fill in the form and send it us at the address mentioned below

Business Today Subscription Form

Send form with your payment to LIVING MEDIA INDIA LTD., A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

☐ 2 Years (52 Issues) : Pay ₹ ~~2080~~/- ₹ 1755/- Save 15% + Get a USB Massager FREE! Best Buy

☐ 1 Year (26 Issues) : Pay ₹ ~~1040~~/- ₹ 885/- Save 15% on the Cover Price

BT 8 DEC 13

Name..... Address.....

.....City.....

Postal Code.....Tel./Mobile.....E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ ☐

Card No.....

Expiry.....Signature.....

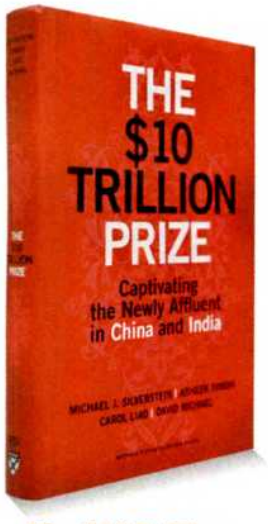
Payment Enclosed: ☐ Cheque ☐ DD No.....(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 50/-)

Subscription Terms & Conditions: This authorises us to communicate about our products & promotions through mail/phone/printed material/email etc. This authorisation is irrespective of my instructions elsewhere of not to be contacted or informed over phone/email/mail etc. Cover Price of BT is ₹ 40. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. The images shown here are indicative, actual product may vary. Add Rs. 50/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are dispatched. T&C apply.

To Subscribe - Email: wecarebg@intoday.com or Call Toll Free No.: 1800 1800 100 or (0120) 2479900

Chindian Cherry Pie

There are huge opportunities for companies which understand Indian and Chinese consumers



The $10 Trillion Prize: Captivating the Newly Affluent in China and India

By Michael J. Silverstein, Abheek Singhi, Carol Liao & David Michael

Harvard Business Review Press

Pages: 314; Price: ₹995

If someone were to tell you that India and China are huge consumer markets that will register exponential growth in the future, your obvious reaction would be: so, what's new? But can you actually figure out the amount of consumer spend likely in these two economies? What is on offer is staggering. Aggregate consumer spends could triple in the current decade to $10 trillion annually by 2020. So say Boston Consulting Group's Michael J. Silverstein, Abheek Singhi, Carol Liao and David Michael in *The $10 Trillion Prize: Captivating the Newly Affluent in China and India*. They term the opportunity a 'once-in-a-lifetime' prize waiting to be won. If you are a businessman looking to expand globally, you cannot but vie for a share of the pie.

Real-life success stories from both countries fill the canvas. Take Rakesh Kumar Sahu of Lucknow, who started as a snack-seller with a handcart but now owns a two-room flat. Or Zhou Zhanghong of Shanghai, who left home at 18 to work at a printing factory in Nanjing. She went on to start her own gift company which now has revenues of $3 million. The book also cites the likes of the 'super-rich' Nandan Nilekani, former CEO of Infosys, as well as the 'left-behind' Bharat Kumar Patel, a cotton farmer from Mehsana, Gujarat, who has Bt cotton to thank for a better, more prosperous existence.

It is estimated that middle class households in China will double to 202 million by 2020. In India, the corresponding figure will be 117 million. But even those who climb out of poverty by 2020, but fail to make the middle class grade, the 'left-behinds', could be lucrative for companies. Their numbers are 200 million in China and 280 million in India, and they will spend $160 billion and $75 billion more respectively than what they are currently doing over the next 10 years.

"Consumers in China and India have high aspirations, are optimistic about their future, and are eager to enjoy their first taste of affluence. Their attitudes are in sharp contrast to those of the recession-humbled consumers in the Western world," the authors say. "The newly affluent consumers in China and India are creating an unparalleled opportunity for growth, which has the potential to lift the global economy out of the gloom that settled during the depths of the Great Recession – what we call the boomerang effect," they add.

So, what are the lessons for companies? While the authors provide several specific market-penetration strategies for each class and segment of consumers, there are some broad prescriptions as well. One has to be mindful of the *paisa vasool* (Hindi for value-for-money) motto, they say. "Companies must provide a unique value proposition: products that square the circle by being affordable and of high quality. Done right, this strategy can simultaneously deliver gains in market share in China, India and the rest of the world." Companies should also strive for 'local, local' customisation, whereby products are tailored for the local customer alone.

The purpose of the book, the authors say, is to educate leaders seeking a better understanding of consumers in India and China. There is a note of caution too at the end: "China and India are not sure bets. They are fraught with risks and dangers (corruption, asset bubbles, political and social disharmony, pollution, natural disaster and political and economic conflict). Companies must navigate these markets with their eyes open." ◆

SARBAJEET K. SEN

"The newly affluent consumers in China and India are creating an unparalleled opportunity for growth, which has the potential to lift the global economy out of the gloom"

Senior Management Jobs brought to you by monster.com

CedarCrestone Software India Private Limited
Director - Sales
Location: Hyderabad / Secunderabad
Job ID: 14158969
Description: Looking for a result-oriented, driven and seasoned Sales Head to own & drive ERP Products/Services sales in India and Regional market.

Hector & Streak Consulting Private Limited
Head HR
Location: Mumbai
Job ID: 14221561
Description: Leading Hospitality Group is looking for Head HR / Human Resource Manager for Mumbai.

Golden Opportunities Pvt. Ltd
Senior Manager / AVP - HR Generalist
Location: Chennai
Job ID: 14161304
Description: Should have good experience in the entire gamut of HR specializing in a Generalist role.

Manokam
Head-Plant Operation
Location: Hyderabad / Secunderabad
Job ID: 14132841
Description: Production & Production Planning and ensure the production targets are achieved as per parameters.

Newgen Software Technologies Limited
Global Head- Sales and Marketing
Location: Delhi
Job ID: 13204938
Description: Develop and implement Sales Plans to target, penetrate, qualify, define, propose, close and contract new business revenue for the company.

Ikya Human Capital Solutions Private Limited
Benefits Lead / Head
Location: Chennai
Job ID: 14146263
Description: Responsible for overall management of the Benefits team activities with respect to India operations.

UnitedHealth Group
Deputy Manager - Internal Audit
Location: Noida
Job ID: 14182093
Description: Demonstrate basic understanding of control assessment frameworks and participate in annual audit risk assessment process.

Black & White Business Solutions
Business Head - Online & Offline Marketing
Location: Bengaluru / Bangalore
Job ID: 14121813
Description: Streamline processes (internal & external) to make sure the site functions in a smooth manner & our resources are utilized well.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

business today

Jobs Today

monster
Find Better.™

IT Jobs brought to you by monster.com

NIIT TECHNOLOGIES
Solution Architect or Technical Architect
Location: Greater Noida
Job ID: 14181167
Description: NIIT Technologies is looking for a Solution architect with minimum 13+ Years of total experience with atleast 5 to 6 yrs of architecting experience in creating scalable enterprise level application on JAVA platform.

Novell
Core Java
Location: Bengaluru / Bangalore
Job ID: 14134684
Description: He/she will be responsible for formulation Architecture, early prototyping, requirement analysis, design, coding and unit testing of those components.

MakeMyTrip.com
Senior Java Developer
Location: Gurgaon
Job ID: 14208791
Description: Involvement in the full software development life cycle within broadly defined parameters and providing software solutions keeping into consideration the software quality needs.

JSW Steel Limited
SAP_APO-Consultant,DP,SNP & GATP
Location: Bellary
Job ID: 11953335
Description: Check ECC master data and correct from APO perspective. Analysis of SNP Optimisation run.

Capgemini
SAP Solution Architect
Location: Bengaluru / Bangalore, Mumbai
Job ID: 14093066
Description: Eight to Ten Years' experience in SAP implementations.

Nec India Private Limited
Java Architect
Location: Bengaluru / Bangalore
Job ID: 14184806
Description: Extensive experience on designing and architecting Products/applications using: Core Java, Swing, Eclipse, H2, Hibernate.

Pegasystems Worldwide India Pvt. Ltd.
Senior Software Engnieer
Location: Hyderabad / Secunderabad
Job ID: 14207928
Description: The Senior Software Engineer is a key member of the Engine teams and responsible for user story design, coding, testing and support, producing high quality technical solutions using technologies such as Java, Web and Rules.

RR Donnelley India Outsource Private Limited
Software Test Engineer
Location: Chennai
Job ID: 14185773
Description: Minimum 2 years in Professional V&V Experience of testing enterprise applications/software products (V-lifecycle).

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Available on the App Store

Better Access
Monster on mobile helps you find candidates anytime, anywhere

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster
Find Better.™

business today

Jobs Today

monster
Find Better.™

Sales and Marketing Jobs brought to you by monster.com

Zuti Engineering Solutions Private Limited
Business Development (Mechanical)
Location: Pune / Chennai / Hyderabad
Job ID: 11009928
Description: Zuti Engineering is hiring Business Development (Mechanical) for Pune/ Chennai / Hyderabad Locations.

Financial Software & Systems Pvt Ltd
Marketing Manager
Location: Chennai
Job ID: 13258405
Description: Person should be having a minimum of 6+ years of relevan experience.

Angel Broking Limited
Relationship Manager / Investment Advsior
Location: Ahmedabad, Baroda / Vadodara
Job ID: 14137410
Description: Looking for Relationship Manager / Investment Advisor / B2B - BDM / B2B - RM.

Objectwin Technology India Privat Limited
Sales Professionals
Location: Bengaluru / Bangalore
Job ID: 14039560
Description: Looking for candidates with months to 2 years of experience.

Value Labs
Sales Manager
Location: Hyderabad / Secunderabad
Job ID: 14208205
Description: Responsible for client acquisitions in the in US east coast; identifying, qualifying and closing new opportunities.

VCentric Technologies Pvt Ltd
Marketing Executive
Location: Hyderabad / Secunderabad
Job ID: 14206730
Description: Prior experience in workin with various colleges and gatherin Database. Selling the organization' Undergrad program to Prospectiv students.

Acculogix Software Solutions Private Limited
Business Development Professionals
Location: Bengaluru / Bangalore
Job ID: 14116616
Description: Looking for business development professionals having experience in US staffing business.

Prowess India Consulting Services
Business Development Manager
Location: Delhi
Job ID: 14205007
Description: Identifying target markets target accounts and services to be covere in the business development (le generation) activity in the Value adde Mobile Services Sectors.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button

BeKnown On Facebook

Better Connections
Connects people to Brands on the Most Active Social Network.

Http://apps.facebook.com/beknown

Better Acces
Better Connection
Better Candidate

Get Lucky. Get Active with Monster.

monster
Find Better.

business today | Jobs Today | monster Find Better.™

Finance Jobs brought to you by monster.com

EXL
Assistant Manager for Accounts Payable Process
Location: Bengaluru / Bangalore
Job ID: 14185304
Description: Looking for Assistant Manager & Associates for Accounts payable process.

ADP Private Limited
Financial Planning and Analysis - Analyst
Location: Pune
Job ID: 14187902
Description: Positions for FPNA professionals to make a career in corporate finance team.

NCR Corporation India Pvt. Ltd.
Tax Manager
Location: Mumbai
Job ID: 14180079
Description: Looking for Tax Managers in Mumbai.

WNS Global Services Private Limited
Deputy Manager
Location: Mumbai
Job ID: 13942800
Description: Responsible for monthly book closure – Revenue, Revenue Analysis – against pipeline, budget & previous month.

Rolta India Limited
Accounts Executive_Banking
Location: Mumbai
Job ID: 14153980
Description: Should be first class graduate in commerce with 5-7 years of exp. in large companies & doing banking operational work, like Liasioning with banks, submitting request for bank guarantee, etc.

NIMT Group Of Institutions
Accountant
Location: Noida
Job ID: 14204879
Description: Maintains accounting controls by preparing & recommending policies and procedures.

Polaris Software Lab Limited
Finance Executive
Location: Chennai
Job ID: 14171391
Description: 1 to 2 years' experience in Finance dept.

Deloitte Consulting India Private Limited
Associate Analyst - General Ledger-Finance
Location: Hyderabad / Secunderabad
Job ID: 14206057
Description: Demonstrates an awareness of accounting principles and practices.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Better Candidates
With Monster's extensive database and advanced technology, finding the right candidate is easy

Better Access
Better Connections
Better Candidates

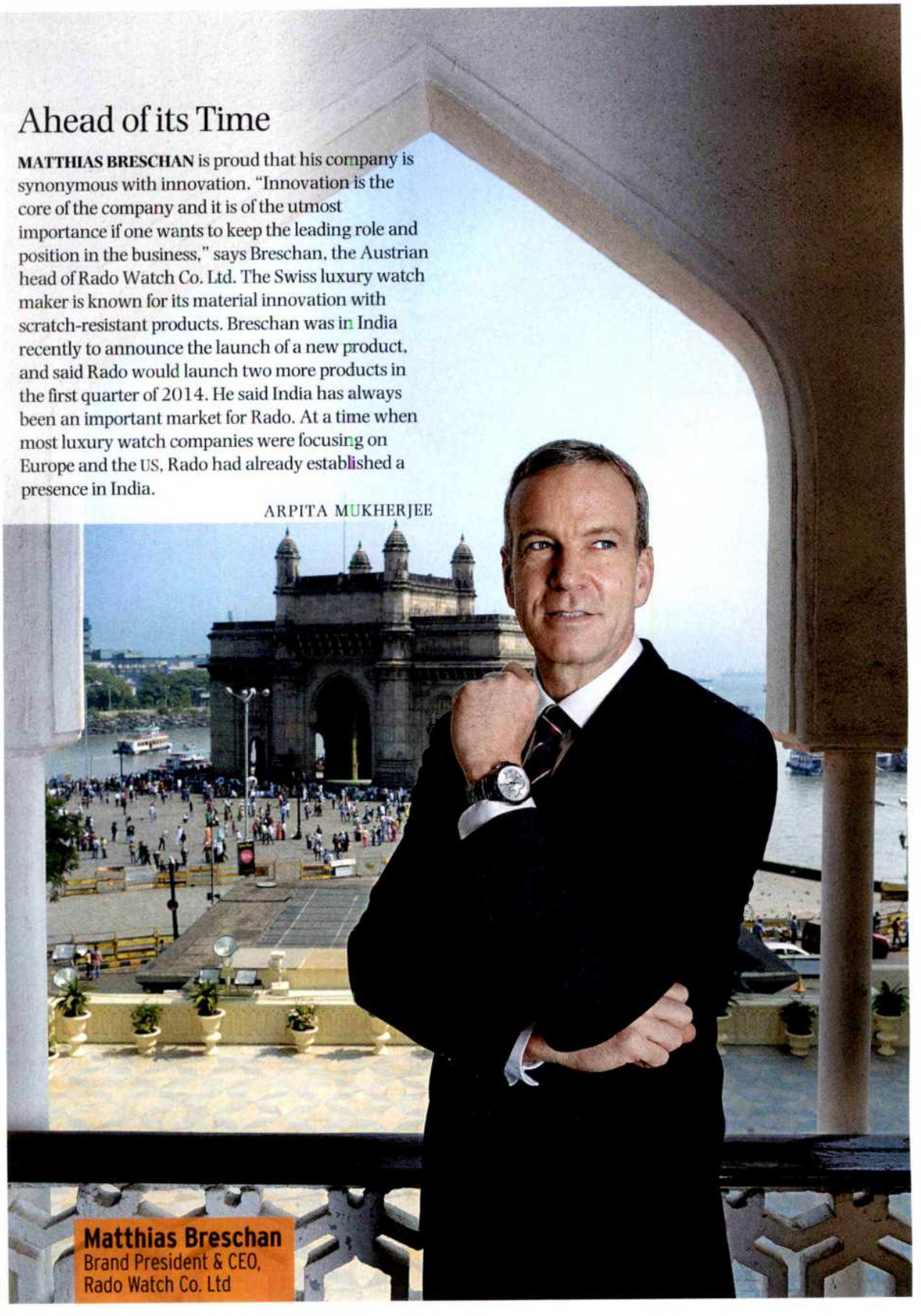
Get Lucky. Get Active with Monster.

monster Find Better.™

Ahead of its Time

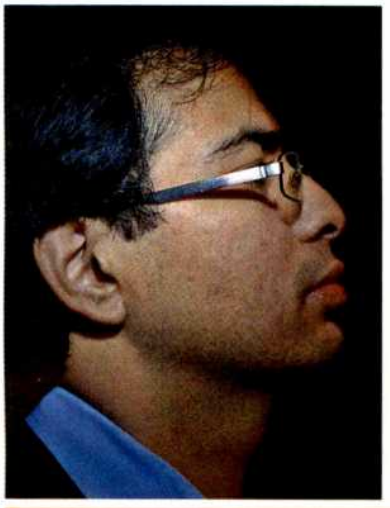
MATTHIAS BRESCHAN is proud that his company is synonymous with innovation. "Innovation is the core of the company and it is of the utmost importance if one wants to keep the leading role and position in the business," says Breschan, the Austrian head of Rado Watch Co. Ltd. The Swiss luxury watch maker is known for its material innovation with scratch-resistant products. Breschan was in India recently to announce the launch of a new product, and said Rado would launch two more products in the first quarter of 2014. He said India has always been an important market for Rado. At a time when most luxury watch companies were focusing on Europe and the US, Rado had already established a presence in India.

ARPITA MUKHERJEE



Matthias Breschan
Brand President & CEO,
Rado Watch Co. Ltd

MANDAR DEODHAR/www.indiatodayimages.com



ADITYA KAPOOR

Pranav Curumsey, Member, Executive Committee, Wikimedia India; **Savithri Singh,** Principal, Acharya Narendra Dev College; **Sunil Abraham** ED, Centre for Internet and Society

A Common Cause

PRANAV CURUMSEY, Member of the Executive Committee at Wikimedia India, **SAVITHRI SINGH**, Principal of Acharya Narendra Dev College, New Delhi, and **SUNIL ABRAHAM**, Executive Director at the Centre for Internet and Society, have diverse backgrounds. But they united for a common cause recently – the India relaunch of Creative Commons. A US-based non-profit organisation which enables the sharing and use of creativity through free copyright licences, Creative Commons first came to India in 2007 but seemed to go nowhere. The trio, through their respective organisations, now hope to advocate the use of free legal tools to make creative work such as art and music public. Says Curumsey: "Our work is explaining the licence and how to use it."

GOUTAM DAS

ADITYA KAPOOR/WWW.INDIATODAYIMAGES.COM

M.V. Natarajan
MD, Mars International India

The Man from Mars

Since setting up his company's operations in India almost four years ago, **M.V. NATARAJAN** has managed to ensure a 20 per cent compound annual growth rate. With the recent launch of Galaxy chocolates in the country, the Managing Director at Mars International India has ensured innovative packaging that allows consumers to save their treat for later consumption. At ₹15, Galaxy is relatively affordable, as compared to the international rate. Natarajan, who has done the tough-as-nails sales, distribution and marketing drill for companies such as Coca-Cola India, also helped Reliance Retail set up its entire beverage and processed food segment. "I don't give up, and I love to take on challenges and stay the course," said Natarajan, who is currently scouting for a location to set up a manufacturing plant in India.

SHAMNI PANDE

C[illegible]ING 7 Y[illegible]RS IN INDIA

PRINT AND DIGITAL EDITIONS AVAILABLE NOW!

7th ANNIVERSARY SPECIAL ISSUE

Men's Health

NOVEMBER 2013 | ₹100

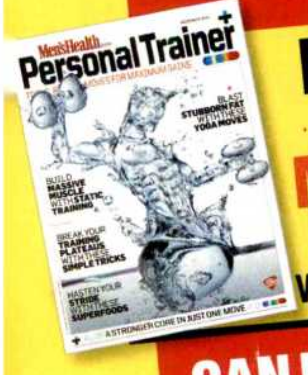
FIGHT FAT & WIN

SEE RESULTS IN JUST 21 DAYS

EASY HEALTH UPGRADES

7 DEADLY SINS

- LUST! SEDUCE ANY WOMAN EASILY
- ENVY! BUILD ABS OF STEEL
- GLUTTONY! EAT MORE, WEIGH LESS
- SLOTH! GET RICH, WITHOUT LEAVING YOUR SOFA
- PRIDE! WORK SMART, NOT HARD
- GREED! DOUBLE YOUR SALARY IN 6 MONTHS
- WRATH! BANISH STRESS FOREVER



FREE! BIG MUSCLE GUIDE WITH THIS ISSUE

LOOK BETTER THAN LAST MONTH! P105

The Men's Health Guy
ABHINAV MAHAJAN

RNI No. DELENG/2006/18661
Men'sHealth
www.menshealthindia.com
INDIA TODAY GROUP

CAN BIG ARMS SAVE YOUR ❤?

PLUS! MASTER THE FINE ART OF NETWORKING P76

INDIA'S LARGEST-SELLING MEN'S LIFESTYLE MAGAZINE Men'sHealth

Jan Heere
International Director, M&S

Making its Mark

JAN HEERE believes that any investment in a new country requires farsighted thinking and one shouldn't get bewildered by regulatory restrictions. "One has to understand 100 per cent how a business in a country operates, and have an approach for the long haul," says the International Director at Marks & Spencer (M&S), the UK-based retail giant. M&S's decision to partner with Reliance Retail in India has paid off, claims Heere. While Reliance Retail knows the Indian market and consumers well, M&S brought in international knowhow and best practices. M&S, which currently has 36 stores in India, plans to increase the number to 80 by 2016, making the country its largest international operation. "I won't say India is a straightforward market. However, we have been able to adapt, we are comfortable and want to accelerate," he says.

AJITA SHASHIDHAR

NISHIKANT GAMRE/www.indiatodayimages.com

For the Love of Travel

Every company should be alive to the fact that it needs to grow at all levels, says **RAMESH TAINWALA**, President, Asia-Pacific and Middle East, and Executive Director, Samsonite Group. The world's largest luggage company, which Tainwala has been with for more than 15 years, will launch a new product in what he calls the popular segment in March. It would be targeted at the category that makes up 50 per cent of the global luggage business. "It will reach where travel is utility, and price sensitivity is much higher." Tainwala, who loves to travel, says Samsonite seeks to find and fill in the gaps in the market, with multiple brands in multiple categories.

Ramesh Tainwala
ED, Samsonite Group

ARPITA MUKHERJEE

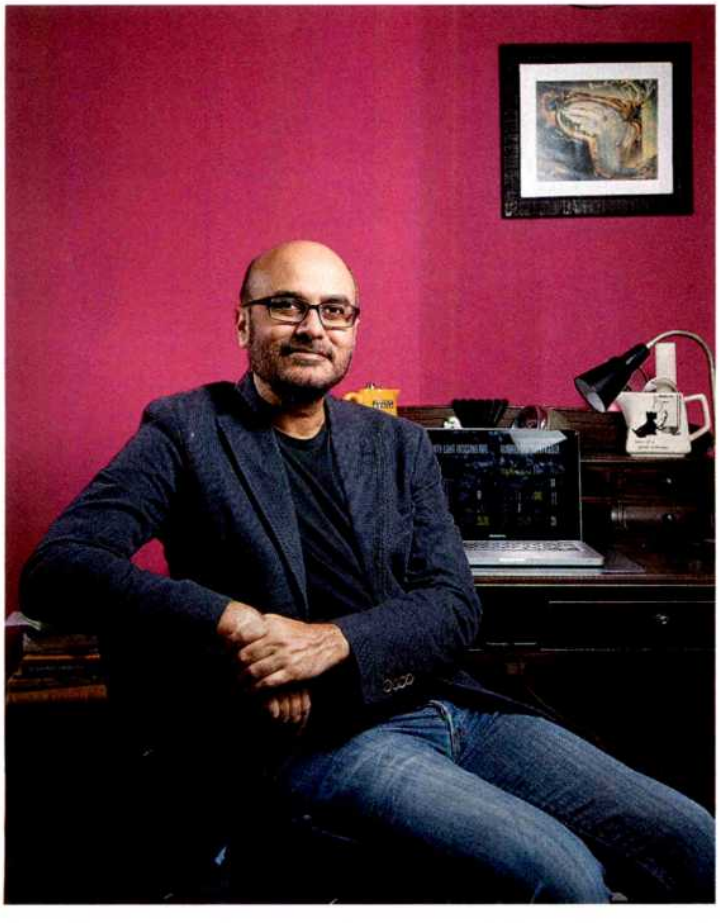
Cloud Burst

Oracle, which has traditionally been an enterprise product-centric company, is now seeing big consumer-driven IT trends such as mobility and cloud computing. And for **ADRIAN JONES**, head of Oracle's Asia Pacific business, the trend starts at home. His three boys, Jones says, are always on the phone. "It is a whole generation change... Mobility is the biggest trend," he says. In India, cloud computing is bigger than mobility. Oracle is, therefore, adding more people in the country to drive adoption in cloud. According to Jones, it is the right time to invest in more countries like India. "In India, companies are talking about cloud, and are ready to put their data in a public environment," says Jones.

SUNNY SEN

Adrian Jones
GM & Senior VP,
Oracle Asia Pacific

SHEKHAR GHOSH



NISHIKANT GAMRE/www.indiatodayimages.com

Ravi Deshpande
Founder, Whyness

Truly Integrated

"In today's world you can't build a brand seamlessly unless an agency builds in all the three disciplines of creative, design and technology. There has to be a fusion between those who build brands and those who facilitate technology," says adman **RAVI DESHPANDE**. The former chairman at Contract Advertising now has his own venture, Whyness. According to Deshpande, it is an integrated agency in the true sense, where creative minds would build brands in partnership with design and technology. "The work you are going to see from us would be truly integrated," says Deshpande, who is close to signing up his first set of clients. Whyness has, meanwhile, already partnered with Findability Sciences, the US-based big data technology company, and French branding and design firm Seenk.

AJITA SHASHIDHAR

INDIA TODAY GROUP

WAVE
PRESENTS

business today
BEST CEO
AWARDS 2013

MEET THE POWER JURY

Five top corporate brains help pick INDIA'S BEST CEOs

SUBODH BHARGAVA
Chairman, Tata Communications

K.V. KAMATH
Chairman, ICICI Bank

J.J. IRANI
Ex-Managing Director, Tata Steel

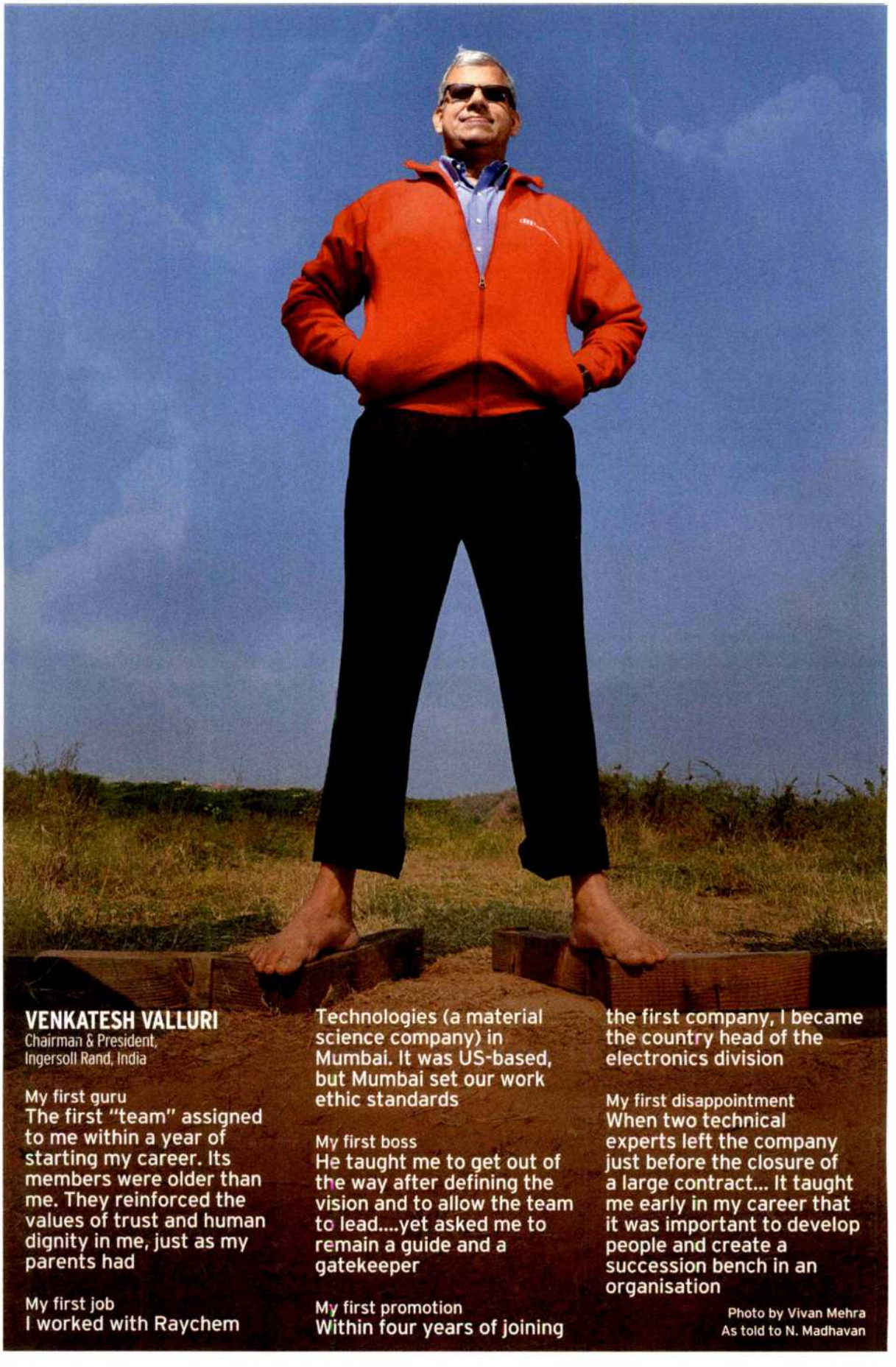
AMIT TANDON
Founder & Managing Director,
Institutional Investor Advisory Services India

SAMIR BARUA
Ex-Director, IIM-Ahmedabad

DECEMBER 13TH, 2013
THE OBEROI, GURGAON

ENTRY BY INVITATION ONLY

KNOWLEDGE SUPPORT PARTNER: pwc
TV PARTNER: HEADLINES TODAY
RADIO PARTNER: OYE! 104.8 FM SABSE FILMI
NEWSPAPER PARTNER: MAIL TODAY Read by those who matter
ONLINE PARTNER: INDIA TODAY.in
BESPOKE GIFT PARTNER: DA MILANO ITALIA
DIGITAL OOH TV PARTNER: OOH MEDIA



VENKATESH VALLURI
Chairman & President,
Ingersoll Rand, India

My first guru
The first "team" assigned to me within a year of starting my career. Its members were older than me. They reinforced the values of trust and human dignity in me, just as my parents had

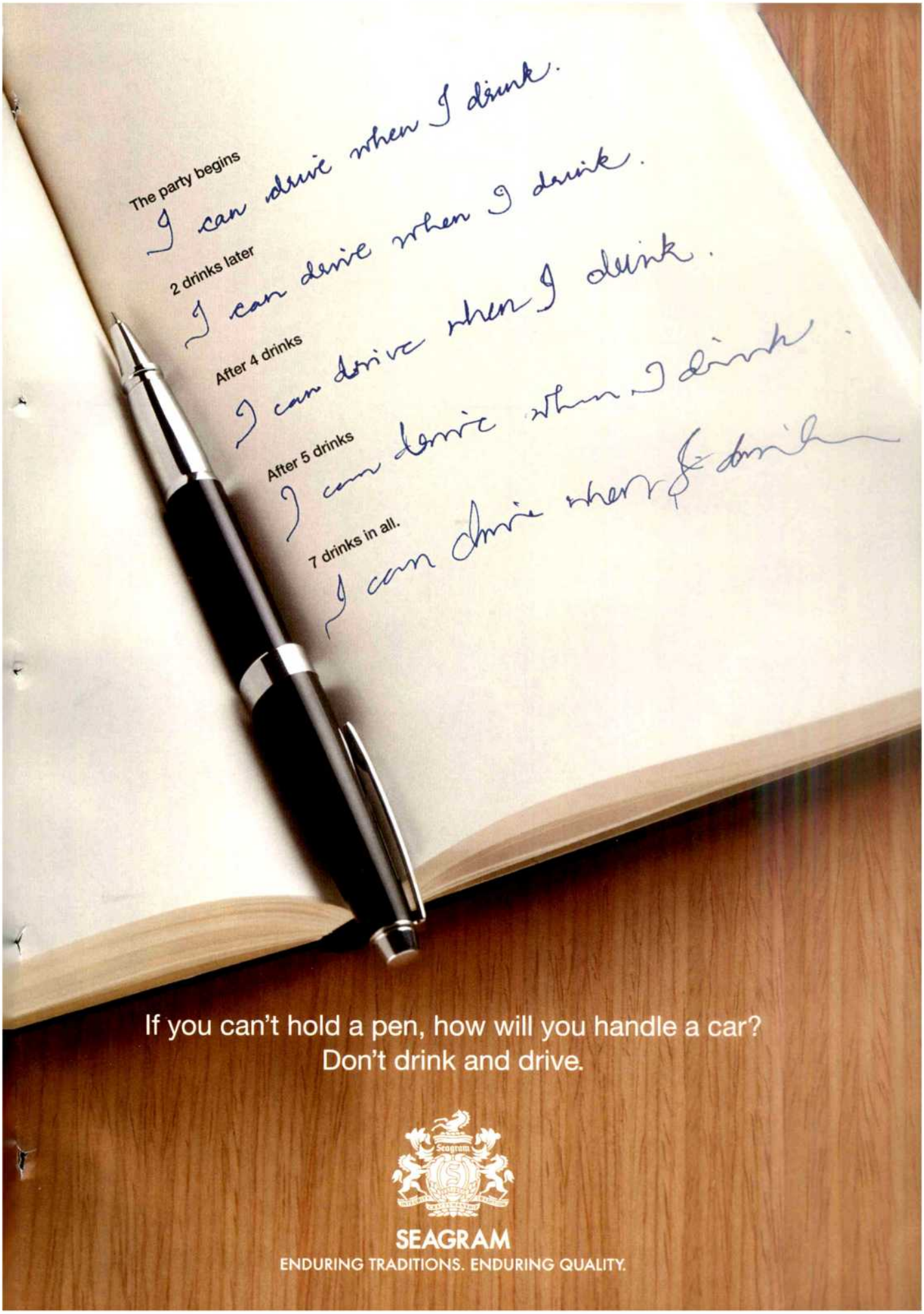
My first job
I worked with Raychem Technologies (a material science company) in Mumbai. It was US-based, but Mumbai set our work ethic standards

My first boss
He taught me to get out of the way after defining the vision and to allow the team to lead....yet asked me to remain a guide and a gatekeeper

My first promotion
Within four years of joining the first company, I became the country head of the electronics division

My first disappointment
When two technical experts left the company just before the closure of a large contract... It taught me early in my career that it was important to develop people and create a succession bench in an organisation

Photo by Vivan Mehra
As told to N. Madhavan



If you can't hold a pen, how will you handle a car?
Don't drink and drive.

SEAGRAM

ENDURING TRADITIONS. ENDURING QUALITY.

CRESCENT 13314B

Rain

Intense

Twin Waterfall

Cascade

Chromotherapy

Remote

Artize **rainjoy** overhead showers
In enviable large sizes

Artize
craftsmanship in water

For more information visit: www.artize.in | Live demo on YouTube artize rainjoy

WHO'S AFRAID OF NARENDRA MODI? p40

MINING MALADIES p62

DAIKIN'S COOL STRATEGY p82

business today

for managing tomorrow

www.businesstoday.in

December 22, 2013 ₹50

CANCER DRUGS p90
NOT AVAILABLE

COMPANY DIRECTORS p74
THE IMPORTANCE OF BEING INDEPENDENT

LORDS OF THE FIELD

p46

GIANTS WAY TO FRAGMEN

Jang Bahadur Singh Sangha grows potato and maize over 8,000 acres

INDIA TODAY GROUP

9 770974 136009

AHMEDABAD, LUXURY TIME - 079 2646 9797 • **BENGALURU**, ETHOS SUMMIT ROLEX BOUTIQUE - 080 2211 3976 • **CHANDIGARH**, TALWAR JEWELLERY HOUSE - 017 2270 5151 • **CHANDIGARH**, TALWAR WATCH CO. - +91 172 4028500 • **CHENNAI**, THE HELVETICA ROLEX BOUTIQUE - 072 9991 1158 • **CHENNAI**, THE HELVETICA - 044 2846 4096 • **COCHIN**, SWISS WATCH BOUTIQUE PRIVATE LIMITED - 91420 91420 • **COIMBATORE**, ZIMSON - 0422-4371234 • **GURGAON**, KAPOOR WATCH CO. - 012 4466 5500 • **HYDERABAD**, MEENA JEWELLERS - 040 6746 7760 • **KOLKATA**, EXCLUSIVE LINES ROLEX BOUTIQUE - 033 2282 5245 • **KOLKATA**, EXCLUSIVE LINES - 033 2290 4116 • **PUNE**, CT PUNDOLE & SONS - 091 7350 003250 & 020 2634 3685 • **MUMBAI**, DIA - 022 2204 2299 • **MUMBAI**, MARCKS & CO. ROLEX BOUTIQUE - 022 2267 6412 • **MUMBAI**, SWISS PARADISE ROLEX BOUTIQUE - 022 2833 9991 • **MUMBAI**, TIME AVENUE ROLEX BOUTIQUE - 022 2651 5757 • **MUMBAI**, TIME WATCH MAKERS ROLEX BOUTIQUE - 022 2412 1411 • **NEW DELHI**, COOKE & KELVEY - 011 2331 4095 • **NEW DELHI**, KAPOOR WATCH CO. ROLEX BOUTIQUE - 011 4676 7777 • **NEW DELHI**, KAPOOR N CO. ROLEX BOUTIQUE - 011 4699 0000 • **NEW DELHI**, KAPOOR WATCH CO. - 011 4134 5678 & 011 4653 6667 • **NEW DELHI**, ETHOS SUMMIT - 011 4058 8700 • **ROLEX WATCH CO.PVT LTD MUMBAI** - 022 6625 3600 • **WWW.ROLEX.COM**

CALCUTTA
CENTRAL
LIBRARY
UNIVERSITY

OYSTER PERPETUAL SUBMARINER DATE

ROLEX

After 15 years in India, do we need to define what we stand for?

Amway is a direct-selling FMCG company, operating in more than 100 countries and territories in the world. For the past 54 years, we have been offering products in the health, beauty and home care segments world wide.

We show our commitment to India with our contribution of ₹2600 crores in taxes over our 15-year presence. Our commitment continues with an investment of ₹580 crores in a state of the art LEED certified manufacturing facility located in Tamil Nadu.

We sell our products through Amway Business Owners, instead of in stores. In India alone, there are lacs of hard-working Amway Business Owners across 4,000 towns.

What defines us, is our continued effort to help people live better lives, not just in India but the world over.

For the truth behind the headlines
go to **www.iamamway.in**

CUSTOMER SATISFACTION ★ 100% ★ OR MONEY REFUNDED

CELEBRATING 15 YEARS OF SUCCESS

Amway™

Join us on facebook@ /amwayindiaofficial or follow us on twitter@ /amwayindia.

From the Managing Editor

By the time most of you, dear readers, read this letter, I would have voted in Delhi's assembly elections. Voting, like any other public activity in the capital, offers interesting possibilities for observational research. You get to see the regular don't-you-know-who-my-father-is types; the unexplained sullenness that pervades Delhi's public spaces; the pride of the poor in being part of a powerful franchise; and the efficiency of a motivated electoral machinery. What I am looking forward to on December 4, though, is the first-time Delhi voter – some 400,000 of them. The giggly, the gangly, the confused, yet the confident, the impatient, the restless voter, who will risk that vote for a fresh start. The frenzied hustings (some of it virtual) in Chhattisgarh, Madhya Pradesh and Mizoram have resulted in high voter turnouts, a trend likely to be replicated in Rajasthan and Delhi. Indications are that there will be an evident and marked shift in voting patterns towards things that matter at home: food prices, household budgets, jobs, children's future, health care, and, generally, predictability in life. People saw the benefits of high growth and now see why they are hurting. And, this is not just the story of the powerful *rajdhani* and four states. This will set the stage for the 2014 election, which, polarised as it promises to be, will also be one where leadership will be judged more by performance, and less by factors such as what someone's forefathers did in their work-lives.

Any leader, and at any level, is judged by the change between what he inherited and what he leaves behind when he walks into the sunset. By that measure, Manmohan Singh, who thinks of himself as a libertarian statesman rather than a bureaucrat, doesn't come out looking good. He had the benefit of taxes from a barrelling economy to fund some of the world's largest public-spending programmes but failed to keep a firm hand on the wheel when it came to the direction of reforms and, painfully for business, he ineffectually helmed a motley crew of a government. You don't have to look far to spot weak leadership models. They are all around us, especially in corporate India. These pairs don't have comparable levels of notoriety but here goes: Tarun Tejpal and Phaneesh Murthy, B. Ramalinga Raju and Rajat Gupta, Ketan Parekh and Sanjay Dangi... . Rather than go on and on, we at *Business Today* decided to roll up our sleeves and do something. Let me introduce you to ***BT* MindRush**, the first of an annual signature event series we are readying. On December 13 and 14, we will fete the most accomplished of India's corner suite occupants at the *BT* Best CEOs Awards and draw leadership lessons from the experience of some fine minds around. Turn to page 96 for a short preview and click through to *www.businesstodaymindrush.com* for more. Some years from now, when we compare notes, I hope *Business Today* would have contributed more than its heft to sound corporate leadership in India.

The cover story this fortnight is a good untold one, even if I say so. Ajay Modi, Shamni Pande and Anilesh S. Mahajan focus on a set of businessmen who made their riches from an economic activity that India has all but written off: agriculture (turn to page 46). India is already the biggest producer of milk, banana, mango and pulses, the second-biggest in sugar, rice, wheat, and cotton. It is only a matter of time before many more farm barons like Jang Bahadur Singh Sangha, Rahoul Jain, Anil Agrawal, and Anil Mittal come into the limelight. Other stories of note are: the future of mining in India (page 62), ineffective independent directors (page 74), and a case study on how Daikin grew its India business four times in three years (page 82).

PS: *With this issue, we are raising our cover price to ₹50. We think the value proposition still works in your favour. Stay engaged.*

Josey Puliyenthuruthel

josey.john@intoday.com
@joseyjohn

business today

http://www.businesstoday.in

Editor-in-Chief: Aroon Purie
Group Chief Executive Officer: Ashish Bagga
Group Synergy and Creative Officer: Kalli Purie

Managing Editor: Josey Puliyenthuruthel
Executive Editor: Suveen K. Sinha
Deputy Editors: Debashish Mukerji, K. Sai Srinivas, Alokesh Bhattacharyya

CORRESPONDENTS
Senior Editors: Anand Adhikari, N. Madhavan, Shamni Pande
Senior Associate Editors: Mahesh Nayak, Goutam Das
Associate Editors: K.R. Balasubramanyam, Shweta Punj, E. Kumar Sharma, Ajita Shashidhar, Suprotip Ghosh, Manisha Singhal, Sunny Sen
Assistant Editors: Manu Kaushik, Nidhi Singal, Taslima Khan
Special Correspondents: Anilesh Mahajan, Sarika Malhotra, Ajay Modi, Arpita Mukherjee
Principal Correspondent: Arunima Mishra
Trainee: Kaavya Chandrasekaran

COPY DESK
Senior Editors: Uma Asher, Rishi Joshi, Sumit Upadhyaya
Senior Associate Editor: Sugita Katyal
Chief Copy Editors: Gadadhar Padhy, Roopali Joshi
Copy Editor: Basudha Das

PHOTO DEPARTMENT
Photo Editor: Vivan Mehra
Deputy Chief Photographer: Shekhar Ghosh
Principal Photographer: Rachit Goswami
Senior Photographers: Aditya Kapoor, Nilotpal Baruah
Photographer: Nishikant Gamre
Photo Researcher: Palak Neb

ART DEPARTMENT
Art Editor: Safia Zahid
Deputy Art Director: Anand Sinha
Assistant Art Directors: Anita Jaisinghani, Amit Sharma, Santosh Kushwaha
Senior Visualisers: Vikas Gupta, N. Ravishankar Reddy, Raj Verma

PRODUCTION DEPARTMENT
Chief of Production: Harish Aggarwal
Production Coordinators: Narendra Singh, Rajesh Verma
Senior Supervisor: Rajkumar Wahi
Senior DTP Designer: Mohammed Shahid

RESEARCH DEPARTMENT
Librarian: Vijaylakshmi Vardan
Assistant Librarian: Satbir Singh
Senior Research Associates: Jyotindra Dubey, Niti Kiran

Group Business Head: Manoj Sharma
Associate Publisher (Impact): Anil Fernandes

IMPACT TEAM
Senior General Managers: Kaustav Chatterjee (East), Jitendra Lad (West), Head (North): Subhashis Roy
General Managers: Shailender Nehru (Bangalore), Velu Balasubramaniam (Chennai)

Marketing: Vipul Hoon, General Manager; Vibha Arora, Brand Manager

Head-Consumer Services: Poonam Sangha, Senior General Manager

Newsstand Sales: D V.S. Rama Rao, Chief General Manager; Vinod Das, Senior General Manager (National); Manish Shrivastava, Senior Manager (North); Joydeep Roy, Senior Manager (East); Rajesh Menon, General Manager (West); Deepak Bhatt, General Manager (South); Rakesh Sharma, General Manager (Operations)

Vol. 22, No. 26, for the fortnight December 9-22, 2013. Released on December 9, 2013.

• Editorial Office: India Today Mediaplex, FC-8, Sector-16A, Film City, Noida-201301, Tel.: 0120-4807100, Fax: 0120-4807150 • Advertising Office (Gurgaon): A1-A2, Enkay Centre, Ground Floor, V.N. Commercial Complex, Udyog Vihar, Phase-5, Gurgaon-122001, Tel.: 0124-4948400, Fax: 0124-4030919, Mumbai: 1201, 12th Floor, Tower 2 A, One Indiabulls Centre (Jupiter Mills), S.B. Marg, Lower Parel (West), Mumbai-400013, Tel.: 022-66063355, Fax: 022-66063226, Chennai: 5th Floor, Main Building No. 443, Guna Complex, Anna Salai, Teynampet, Chennai-600018, Tel.: 044-28478525, Fax: 044-24361942, Bangalore: 202-204 Richmond Towers, 2nd Floor, 12, Richmond Road, Bangalore-560025, Tel.: 080-22212448, 080-30374906, Fax: 080-22278335, Kolkata: 52, J.L. Road, 4th floor, Kolkata-700071, Tel.: 033-22825398, 033-22827726, 033-22821922, Fax: 033-22827254, Hyderabad: 6-3-885/7/B, Raj Bhawan Road, Somajiguda, Hyderabad-500082, Tel.: 040-23401657, 040-23400479, Ahmedabad: 2nd Floor, 2C, Surya Rath Building, Behind White House, Panchwati, Off: C.G. Road, Ahmedabad-380006, Tel.: 079-6560393, 079-6560929, Fax: 079-6565293, Kochi: Karakkatt Road, Kochi-682016, Tel.: 0484-2377057, 0484-2377058, Fax: 0484-370962 • Subscriptions: For assistance contact Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) - 201301, Tel.: 0120-2479900 from Delhi & Faridabad: 0120-2479900 (Monday-Friday, 10 am-6 pm) from Rest of India, Toll free no.1800 1800 100 (from BSNL/MTNL lines), Fax: 0120-4078080, E-mail: wecarebg@intoday.com • Sales: General Manager Sales, Living Media India Ltd, B-45, 3rd Floor, Sector-57, Noida (U.P.) - 201301, Tel.: 0120-4019500, Fax: 0120-4019664 © 1998 Living Media India Ltd. All rights reserved throughout the world. Reproduction in any manner is prohibited. Published & Printed by Ashish Bagga on behalf of Living Media India Limited. Printed at Thomson Press India Limited, 18-35, Milestone, Delhi-Mathura Road, Faridabad-121007, (Haryana). Published at K-9, Connaught Circus, New Delhi-110 001.

• *Business Today* does not take responsibility for returning unsolicited publication material

All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only

For **reprint rights and syndication** enquiries, contact syndications@intoday.com or call +91-120-4078000
www.syndicationstoday.in

NOKIA

ZOOM

41 MEGAPIXELS

NOKIA LUMIA 1020

NOTHING ELSE COMES CLOSE

™ & © 2013 Nokia. All rights reserved. © 2013 Microsoft Corporation. All rights reserved.

THE WORLD'S GREATEST CAMERA PHONE EXPERIENCE

41 MEGAPIXELS
The revolutionary 41 MP sensor helps you capture more detail than any other smartphone

REINVENTED ZOOM
Zoom into any small part of your image to create your favourite compositions, while retaining all the details of the original image

XENON FLASH
The Xenon flash allows you to create sharp images even in the darkest conditions

SHUTTER SPEED CONTROL
Get creative with slower shutter speeds that capture motion and streaks of light or faster shutter speeds to create sharp images

EXPOSURE COMPENSATION
You can brighten or darken your image using exposure compensation. The preview shows you exactly what the image is going to look like – even before you click it

MANUAL FOCUS
Choose what you want in focus by adjusting manual focus accordingly

UALCOMM SNAPDRAGON
4 PROCESSOR

11.43 cm (4.5"), 334 PPI HD DISPLAY

CLEARBLACK AMOLED DISPLAY FOR GREAT SUNLIGHT LEGIBILITY

Windows Phone

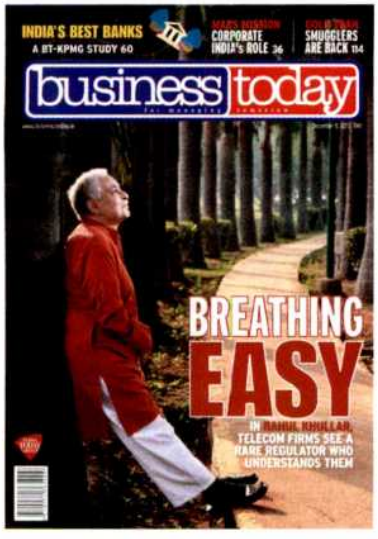
ailable at: NOKIA Priority Partner

NOKIA Care 30303838*

To find the nearest **Nokia Care Centre**, SMS NCC<space> City Name & send it to **55555***

www.nokia.co.in/lumia1020

2013 Nokia. All rights reserved. © 2013 Microsoft. All rights reserved Nokia is a registered trademark of Nokia Corporation, other trademarks and/or other trade names are owned by their respective mpanies. Always insist on original Nokia India Warranty to safeguard against buying used, refurbished or tampered phones. Nokia India Warranty is applicable only for phones imported/manufactured Nokia India Sales Pvt. Ltd. *For assistance on Nokia products and services, call Nokia Care. Add STD code when dialling from a GSM connection. *Premium SMS charges apply.



Ringing in Change

This refers to your cover story (*Silver Linings Phonebook*, December 8). After a long, confusing period in the telecom industry, Rahul Khullar has taken charge as Chairman of TRAI. He is a different TRAI chief as he listens to people, understands them and brings clarity to the issues involved. His watchword "I will try" probably means there will be no witch-hunts but bold decisions. His new concept of spectrum trading may bring cheer to the telecom industry.

Jacob Sahayam, *Thiruvananthapuram*

Shock and Awe

Thanks to the *Business Today* team for the survey on banks (*India's Best Banks 2013*, Dec 8). It's quite shocking to find State Bank of India's ranking position at 10. It is not among the winners on any parameter. This is not a healthy symptom when SBI has the largest network of branches in the country. However, the private sector banks and foreign banks are stealing the show with better services and better management. HDFC Bank has surged ahead with better distribution policies. Hope your survey will help the banking industry to understand the prevailing undercurrents.

Akhilesh Kumar Sah, *Faizabad*

Gold Rush

The feature on gold smuggling (*Yellow Peril*, Dec 8) has exposed the "deep routes of smuggling" from West Asia to Kerala very well. The narrative was brilliant, fascinating to read. It should be an eye-opener for the government which hastily raised gold import duties. We all know the country is going through a severe downturn. Despite that, I wonder how gold continues to sell so well in the South. My India is truly great!

Abhinav P., *New Delhi*

Falling Short

This refers to your cover story (*India's Best B-schools*, Oct 27). All the care you took, the effort and cross-checking you carried out to come up with an updated survey is appreciable. However, I feel the survey does not truly reflect ground reality. You have yourself admitted that 130 institutes, including two IIMs, declined to participate. Also, only one-seventh of the institutes you wanted to include sent their replies in time. It implies that those who teach business are themselves not professional. You have given undue importance to placements, which are dependent on the economy, industrial health, and even the exchange rate. The listing does not give much reason for confidence or pride. The topper's score is just 92 per cent, the 10th ranking is 67.5 per cent, and at the 25th ranking, the score has fallen below 60 per cent. Some graduates do get good placements, not based on suitability, but because of their contacts and connections.

V.N. Ramaswamy, *Hyderabad*

Send all your comments to editor.bt@intoday.com

www.facebook.com/BusinessToday

Samsung is likely to spend around $14 billion – more than Iceland's GDP – on advertising and marketing this year
Wish the company would have spent that money for improving its battery back-up.
- **Mohammed Arshad**

India's corporate tax rates are among highest, globally: Report
But India is still in financial crises.
- **CA Sanipini Srilakshmi**

ITC is offering help to those who want to quit smoking
Why don't they simply stop selling cigarettes? - **Rohit Vyas**

Tax evaders can be traced, warns P. Chidambaram
So, let us begin with the politicians. - **Alpana Shah**

HOW TO CONTACT BT

WRITE TO:
The Editor, Business Today, India Today Mediaplex, FC-8, Sector 16/A, Film City, Noida-201301.
Email: letters.bt@intoday.com/editor.bt@intoday.com
Website: www.businesstoday.in
Unsolicited articles will not be returned or acknowledged.
Business Today reserves the right to edit letters for brevity and clarity before publication.

FOR SUBSCRIPTION ASSISTANCE WRITE TO:
Customer Care, India Today Group, A-61, Sector-57, Noida (U.P.) – 201 301
Phone: (0120) 2479900 from Delhi & Faridabad; (0120) 2479900 (Monday-Friday; 10 am-6 pm) from Rest of India; Toll free no. 1800 1800 100 (from BSNL/ MTNL lines); Fax: (0120) 4078080
E-mail: wecarebg@intoday.com

BT SCRAPBOOK
- React to articles in BT
- Suggest story ideas
- Share your experience as consumer or SME
- See what others have to say on our stories on scrapbook at www.businesstoday.in

BNP PARIBAS | The bank for a changing world
A global network of financial expertise
We strive for your success
CORPORATE & INVESTMENT BANKING - WEALTH MANAGEMENT
ASSET MANAGEMENT - SECURITIES SERVICES - INSURANCE
bnpparibas.co.in

CONTENTS

COVER BY ANAND SINHA
PHOTOGRAPH BY ADITYA KAPOOR

DECEMBER/22/2013
VOLUME 22/NUMBER 26

COVER STORY

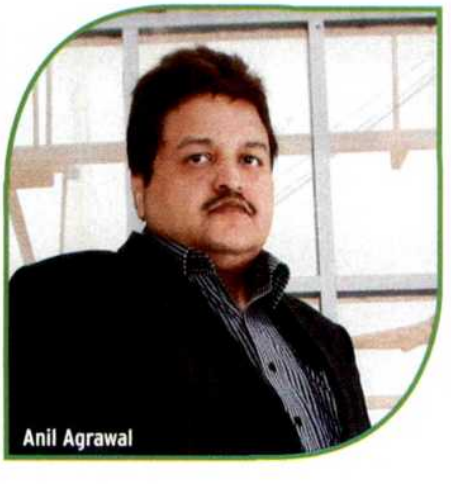
46

A CALL TO FARMS

Money does not grow on trees, but it can be minted in the fields. Business Today *brings you a quartet that shows how it is done*

Jang Bahadur Singh Sangha

Rahoul Jain


Anil Agrawal

Anil Mittal

UPFRONT

14 | Quick takes on major events

FOCUS

16

16 | The Castaway
India is steadily losing ground to China as a trading partner of South Asian countries

20 | Fixing Mega Woes
Private sector companies are lining up to bag ultra mega power projects, but problems such as fuel shortages remain

24 | A Crushing Blow
A delayed cane crushing season in Uttar Pradesh is hurting both the industry and farmers in the country's second-biggest sugar producer

30

30 | Graphiti: Sugarland Distress

32 | Smartphone Effect
Smartphone sales continue to grow fast, but feature phone sales have fallen for the first time

38

38 | B-school Debate on Entrepreneurship

FEATURES

40

40 | Who Is Afraid of Narendra Modi?
Muslim businessmen in Gujarat no longer seem to be shunning the BJP's prime ministerial candidate

62

62 | Paucity Amidst Plenty
Why a country flush with natural resources finds itself grappling with their shortage

74

74 | The Importance of Being Independent
Non-executive directors at Indian companies have not proved effective so far in improving corporate governance practices. They themselves are partly to blame

82

82 | Case Study: Daikin India

ONLINE

Golden Harvest

Profiles of four men who, belying the cliché of the poor farmer, have reaped fortunes from basmati rice, mango, soybean, potato and maize
businesstoday.in/agri-barons

Bitter Taste

With most sugar mills in UP shutting down, comprehensive coverage of the standoff between the state government and mill owners
businesstoday.in/upsugar-crisis

Manufacturing at the Crossroads

Detailed coverage of CII's Manufacturing Summit (Mumbai, November 22)
businesstoday.in/cii-summit

Ta-ta, Bank Licence

Why the Tata Group chose to withdraw its application for a licence to set up a new bank
businesstoday.in/tata-bank

DEEP DIVE

A Stitch in Time Saves Nine

Ashok Dhingra and **Sonia Gupta** on the proposed Goods and Services Tax – how the idea originated, and how far it is from becoming law
businesstoday.in/btdeepdive

Identifying the Poor

Arpan de Sarkar on poverty debates and poverty estimates
businesstoday.in/btdeepdive

INTERVIEW

Japanese management guru **Shoji Shiba** in India to release his latest book *7 Dreams to Reality: Transforming Indian Manufacturing Today*, speaks to **Taslima Khan**
businesstoday.in/shoji-shiba

Piyush Mathur, President of Nielsen India, talks to **Shamni Pande** on the sidelines of the Consumer 360 conference in Gurgaon
businesstoday.in/piyush-mathur

CONTENTS

FEATURES

90

90 | N/A
Some new cancer drugs are available in other countries, but not in India

94 | Saving Preemie Lives
A portable warmer developed by two Indian students and their classmates at Stanford University is helping premature babies survive

96

96 | The Turnaround: Make the Worst of Times Your Best of Times

104 | Talent Hunt
CEOs at *Business Today*'s breakfast meet in Bangalore agreed that despite its billion-plus population, India does not have enough productive people

106

MONEY
106 | Beyond the Glitter
Planning to buy retail space in a mall? Think twice

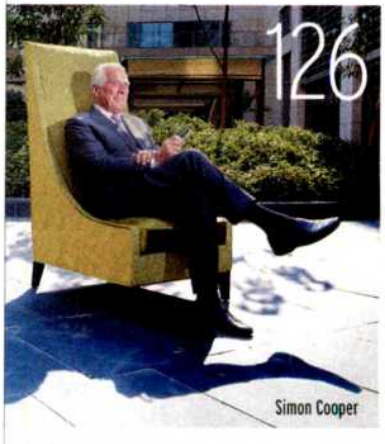
110

LBNL

110 | Freedom Song
Finally, non-film music is becoming lucrative in our Bollywood-crazy nation

BOOKEND
117 | Review: A Smörgåsbord of Thoughts; Extract from *Sahara: The Untold Story*

CAREERS
120 | Tickets to Ride
With 19 cities set to take up metro projects, career prospects in metro engineering are plentiful



126 | PEOPLEBUSINESS

LEADERSPEAK
130 | Jayant Sinha
Managing Director & Partner, Omidyar Network India Advisors

Find the Right Job on Page:122-125
Jobs Today
Get Lucky. Get Active on Monster.
• Better Access • Better Connections
• Better Jobs
Powered by: monster
Find Better.

An IMPACT Feature

From time to time, you will see pages titled "An Impact Feature" in *Business Today*. This is no different from an advertisement and the magazine's editorial staff is not involved in its creation in any way.

Experience ultimate driving comfort and much more in the Maruti Suzuki Ritz.

Maruti Suzuki Ritz is a joy to drive. It offers all round visibility, high driving position, steering mounted audio control and much more. Drop in at your nearest Maruti Suzuki dealership and experience joy, today.

Driving Comfort Features: All Round Visibility - Easy Ingress & Egress - 60:40 Split Rear Seat - Convenient Dash Mounted Gear - 236 liters of Boot Space - Steering Mounted Audio Control - Keyless Entr

Unique Tail-Boy Aerodynamic Styling

DDiS ENGINES 23.2 kmpl 1.3 l

VVT ENGINES 18.5 kmpl 1.2 l

www.marutisuzuki.com/ritz/
www.facebook.com/ritzbymaruti
SMS RITZ to 53636

Ritz Joy Inside

*Red interiors are available with select exterior body colours. Accessories shown may not be a part of the standard equipment. Colours shown may vary from actual body colours due to printing on paper. Maruti Suzuki India Limited reserves the right to change without notice, price, colours, equipments.

PARVEEN NEGI

Tough task: Commerce and Industry Minister Anand Sharma is likely to make it clear at the World Trade Organization's (WTO) ministerial meet in Bali that India will not compromise on its stand that it should be allowed to provide subsidised food to all poor. India also plans to offer minimum support price to farmers even if the 10 per cent ceiling on farm subsidy, as prescribed by the WTO, is breached.

Corporate

Tata Sons, the Tata Group holding company, withdrew its application for banking licence. The company had indicated that its current financial services operating model best supported the needs of the group's domestic and foreign strategy.

British liquor giant **Diageo** has offered to sell most of **Whyte & Mackay**—the Scotch whisky maker it now owns through its acquisition of India's largest liquor company **United Spirits** (USL). The UK's Office of Fair Trading has raised competition concerns arising from the acquisition. A sale could ease the pressure on USL's balance sheet brought on by the Whyte & Mackay purchase in 2007.

Cairn India said it will spend up to ₹5,725 crore to buy back shares. After the completion of the process, Anil Agarwal-led Vedanta Group's ownership in Cairn India will rise to 64.53 per cent from the current 58.76 per cent. The UK's Cairn Energy, former promoter of Cairn India, still holds 10.27 per cent in the company and may look at the share buyback programme to exit.

Maruti Suzuki, India's largest car maker, will recall 1,492 vehicles including Ertiga, Swift, DZire and A-Star models to replace their steering column if found defective. Industry body SIAM initiated a voluntary recall policy last July, taking the total recalls to over 3 lakh units.

Wockhardt Ltd faces delays in new launch approvals after a second plant operated by the generic drugmaker in Chikalthana in western India was hit by the US Food and Drug Administration's "import alert", effectively a ban. A slew of regulatory rebukes in recent months has wiped off nearly three-quarters of the company's share value this year. The United States is Wockhardt's No.1 market and accounted for 43 per cent of its revenue in the quarter ended September.

The **Sahara Group** will submit new title deeds for properties worth ₹20,000 crore to the Securities and Exchange Board of India (SEBI), which had termed assets offered earlier as highly over-valued. The Supreme Court restrained the group from selling any properties. *(See book excerpt on page 118.)*

Walmart Stores Inc named the head of its international division, Doug McMillon, to replace Chief Executive Mike Duke, who will retire on January 31 after five years at the helm of the world's largest retailer.

A top Indian-American executive at Citigroup, Neeraj Sahai, 56, has been appointed president of Standard & Poor's Ratings Services, the world's largest ratings firm. He will assume his new role at S&P from January 6, 2014. Standard & Poor's Ratings Services, part of McGraw Hill Financial, is the world's leading provider of independent credit risk research. It publishes more than a million credit ratings on debt issued bysovereign, municipal, corporate and financial sector entities.

Economy

Uptick in agriculture and construction spread some cheer as the economy grew a higher-than-expected 4.8 per cent in the three months through September. Manufacturing rose an annual one per cent during the quarter and mining fell by 0.4 per cent, government data showed, while farm output rose 4.6 per cent.

India has emerged as the most attractive investment destination thanks to a relaxation in foreign direct investment norms, says a report. India is followed by Brazil and China in the ranking, part of EY's Capital Confidence Barometer report based on a survey across 70 nations. The US, France and Japan have emerged as the top three investors likely to invest in India.

India has been ranked 83rd globally in terms of talent competitivness of its human capital. Switzerland, Singapore, Denmark, Sweden and Luxembourg are the top five in the list of 103 nations, compiled by INSEAD business school.

Tax rates for companies in India are among the highest in the world and the number ofpayments is also more than the global average putting the country at a low 158th rank on the Paying Taxes 2014 list by the World Bank and PwC. However, the time taken for tax payment is relatively less in India, which is rated ahead of China and Japan.

1 billion

Estimated smartphone shipments in 2013, a 39.3 per cent growth over 2012. This was being driven by the demand for low-cost computing in emerging markets. By 2017, total smartphone shipments are expected to approach 1.7 billion units, resulting in a compound annual growth rate of 18.4 per cent between 2013 and 2017, according to research firm IDC.

20%

Vacancy rate of office space in Mumbai and Delhi in the third quarter, the highest in Asia after Chengdu in China. According to Cushman and Wakefield, six Indian cities are among the 10 office markets with the worst vacancies.

Markets

Foreign banks will not have to pay stamp duty and capital gains tax if they convert their branch operations into a wholly owned subsidiary, according to the Reserve Bank of India (RBI).

The RBI is planning to launch CPI-indexed bonds aimed at protecting the savings of retail investors from the impact of price rise by December-end.

CBI has booked State Bank of India Deputy MD Shyamal Acharya and others in a graft case related to disbursal of a loan of over ₹400 crore. Gold and jewellery worth ₹67 lakh have been recovered from the residence of Acharya.

Coming Up

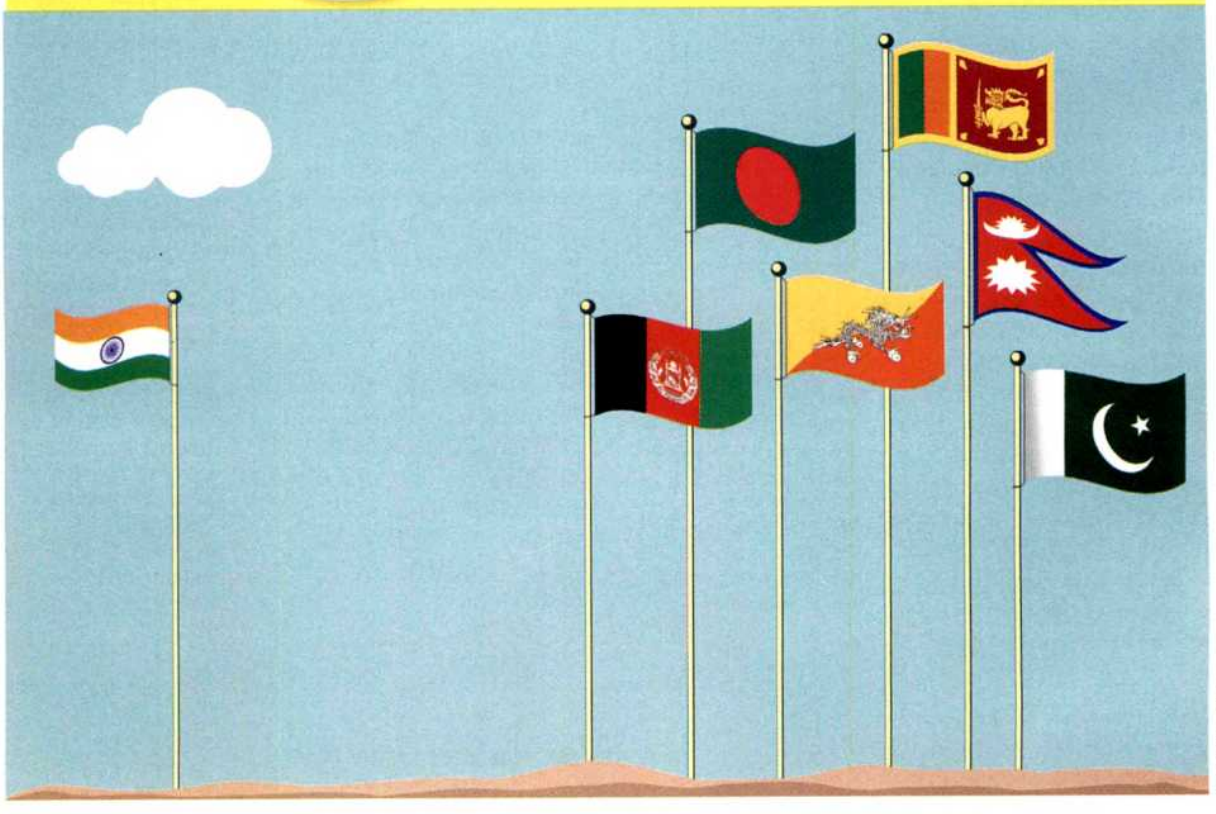
- UK-based Vodafone's Chief Executive Vittorio Colao is likely to visit India in December to meet Finance Minister P. Chidambaram and senior officials. The British telecom major is facing a tax liability of over ₹11,200 crore, along with interest, on its 2007 acquisition of Hong Kong-based Hutchison Whampoa's stake in Hutchison Essar.

- SEBI is likely to issue a draft of its new insider trading norms soon and also formalise rules for real estate investment trusts, said Chairman U.K. Sinha.

BJP appropriates Sardar Patel

FOCUS

19 Iran Nuclear Deal
30 Sugarland Distress
32 Smartphone Effect



RAJ VERMA

The Castaway

India is steadily losing ground to China as a trading partner of South Asian countries. By SHWETA PUNJ

Nearly three-fourths of India's total trade with Bangladesh is carried out illegally, according to a World Bank report

Gulzar Firoz could very well be a businessman from any country. The Pakistani leather exporter from Karachi speaks of the 'large' Indian market waiting to be tapped into and is keen to find business partners in India. Firoz was in New Delhi as part of a business delegation from Pakistan, the second-largest economy in South Asia. His visit was timed with the India International Trade Fair being held in the heart of the Indian capital, an annual fixture for over three decades.

This time, however, Firoz says, participation from Pakistan is a bit tepid. There are about 85 participants this year from the neighbouring country, down from 150 last year. "Some participants couldn't get the visa on time. We are also closely watching India's elections," says Firoz. "A lot of our trade relations will depend on the new government in India and our government's stance on giving India a 'Most Preferred Nation' (MFN) status."

Firoz, in a way, highlights the uncertain trade relations India has not only with Pakistan, but also with other South Asian neighbours.

Almost all South Asian nations have a troubled past with India. "Countries like Nepal in the past have been afraid of Indian democracy. They (South Asian nations) have their own policies, approaches, vulnerabilities. Neighbouring countries will bring in external powers to balance India," says Kanwal Sibal, former foreign secretary of India.

India's global trade was worth an estimated $800 billion in 2012/13, of which only about $17 billion was with the South Asian Association for Regional Cooperation (SAARC) partners. SAARC includes Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, Sri Lanka and Afghanistan. "The numbers don't give out the right picture," says Arvind Mehta, Additional Joint Secretary, Department of Commerce, who looks at the South Asian region. He vehemently refutes the theory that the South Asian Free Trade Agreement (SAFTA) between SAARC countries could not take off and India does only limited trade with its South Asian partners. "You have to look at the size of these economies," he says.

SAFTA, signed in 2004 and implemented in 2006, sought to create a free trade zone for close to two billion people residing in the most populous region of the world. It lays down a framework for eliminating customs duties on all traded goods by 2016. But contrary to Mehta's insistence, SAFTA, say most observers, has not taken off the way it had been envisaged. Most countries still have only a limited number of items in the trade basket. For instance, India and Pakistan have 1,209 items on the "negative list" – bilateral trade is prohibited in these goods and commodities.

"India would have to give much more access. If India can show short-term generosity, it will have long-term benefits. Politics keeps trumping economics in the region," says Rajiv Kumar, Senior Fellow, Centre for Policy Research. On its part, India has allowed tariff-free import quotas from Bangladesh. A separate FTA with Pakistan is being considered. India is exploring the possibility of allowing import of more items at a lower duty rate from Pakistan and liberalising the visa regime, but frosty bilateral relations have hit business ties as well. It has already given the MFN status to Pakistan. If Pakistan also gives India the same status, it will give a big push to the export of textiles, cotton, vegetables, coffee, tea and spices from India.

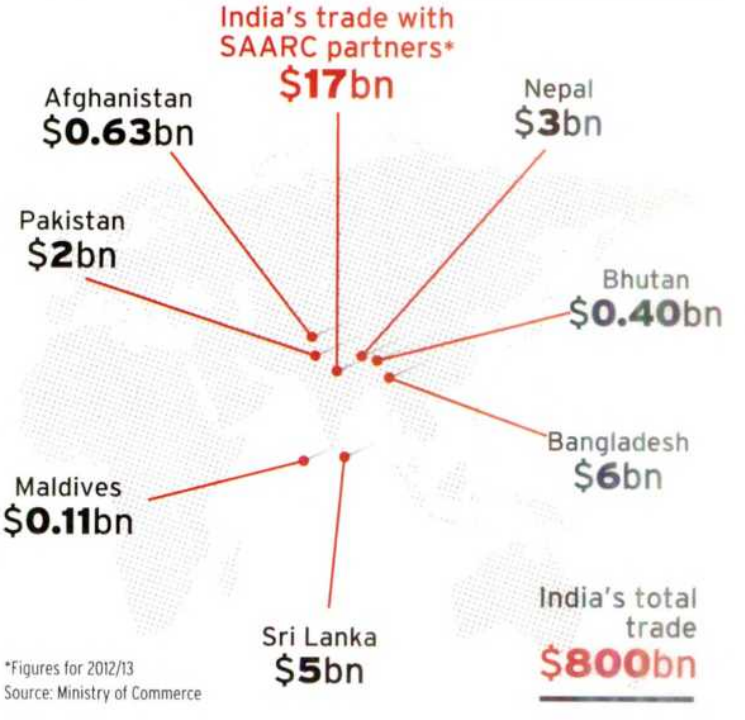
But India has failed to inspire trust among its partners in South Asia and is still seen as a competitor, point out experts. There is potential to quadruple trade in the region, according to Kumar.

On the policy front, there have been sustained efforts, especially to expand trade ties with Pakistan. Bilateral trade between the two nations stands at around $2 billion. There were at least nine meetings last year between the two countries to facilitate trade, but implementation on the ground has been painfully slow and businesses have paid the price. Consider the example of Indian tyre maker Apollo Tyres. The company had a giant share of the Pakistan tyre market, but tyres got excluded from the revised list of products that could be imported from India.

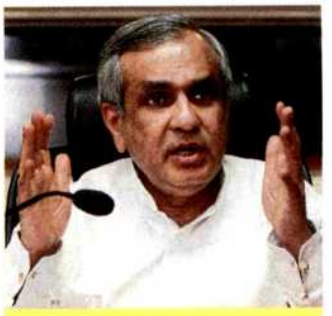
Pakistani businessmen, too, have made little headway in India. Asher Hassan, 33, a first-generation Pakistani entrepreneur, runs a medical service marketing company, Naya Jeevan. Hassan has been planning to invest in India and has been in talks with a Bangalore-based company for the past three years, but "lack of trust on both sides", he says, has stalled his plans. Or consider the example of Abid Bhatt, who runs a supply chain management company with 350 trucks plying through Lahore, Karachi and Islamabad. "Despite having an integrated checkpoint on the Wagah-Attari border, we are not able to cross over with our trucks. It's a wastage of time and energy to shift from one truck to another," he says.

Poor infrastructure, especially roads, and complex

HOW IT STACKS UP



*Figures for 2012/13
Source: Ministry of Commerce



"INDIA WOULD HAVE TO GIVE MUCH MORE ACCESS... POLITICS KEEPS TRUMPING ECONOMICS IN THE REGION"

Rajiv Kumar, *Senior Fellow, Centre for Policy Research*

"SOUTH ASIAN NATIONS HAVE THEIR OWN POLICIES, APPROACHES, VULNERABILITIES. NEIGHBOURING COUNTRIES WILL BRING IN EXTERNAL POWERS TO BALANCE INDIA"

Kanwal Sibal, *former foreign secretary*

CHINA HAS BEEN QUICK TO RECOGNISE THE IMPORTANCE OF SOUTH ASIA AND HAS MOVED SWIFTLY

procedures are also major obstacles in improving trade relations with South Asian countries. Some engineering exporters say that infrastructure in Bangladesh is better than India – there are custom landing stations in India with no roads. Traders prefer to take the illegal route to escape the procedural bottlenecks that add to costs in India. Nearly three-fourths of India's total trade with Bangladesh is carried out illegally, according to a World Bank report.

Bureaucratic bottlenecks and crumbling infrastructure in India have prodded the South Asian neighbours to look beyond India. SAFTA had outlined the need for South Asian countries to consider each other as partners. Similar goals in the ASEAN (Association of Southeast Asian Nations) block have been achieved through building production networks where each country in the region specialises in a particular stage of a good's vertically integrated production sequence. "There haven't been efforts to develop value chains within South Asia. It really doesn't make sense to compete with each other," says Biswajit Dhar, Director General, Research and Information System for Developing Countries, an autonomous institute under the Ministry of External Affairs.

China has been quick to recognise the importance of the region and has moved swiftly. The Chinese have said they will not interfere in the internal politics of any country and that they are only interested in doing business. The country also ranks much higher on ease of doing business as compared with India. China was ranked 99, while India was at 134 in an October 2013 World Bank Group report.

Chinese economic engagement with South Asia has grown quickly. Trade has grown from $40 billion in 2006 to $85 billion in 2011. In terms of foreign direct investment (FDI) in the region, China is way ahead of India. In Bangladesh alone, China has invested over $130 million in the first half of this year, while India has invested about $20 million. Sri Lanka attracted $430 million FDI in the first half of 2013, and most of it came from China. "If you look at Chinese share in Sri Lankan trade, almost all components of trade with China should have been happening with India," says N.R. Bhanumurthy, professor at National Institute of Public Finance and Policy.

The onus is on India to build trust and improve trade relations with South Asian countries, say experts. "Small countries have long memories of pressures from bigger neighbours. It is a very difficult exercise. You try to keep them on your side and make sure they feel that you are not suffocating them," says Sibal.

India has a competitive advantage in services, agricultural and engineering exports. "India needs to think strategically and go out of its way," says Kumar, who is working on a project that will enable facilitation of trade between India and its neighbours. But it will have to contend with stiff competition from China. ◆

WITH INPUTS FROM ANILESH S. MAHAJAN

@shwetapunj

ENERGISING
YOUR LIFE...
IN SURPRISING WAYS.
Chola MS
GENERAL INSURANCE
Chola
Coromandel
Parry's
PARRY
AGRO
CUMI
INDIA
BSA
HERCULES
Shanthi Gears
murugappa
murugappa
murugappa
BET WE'VE MET!
If you've felt the energy of these businesses, then you've met Murugappa.
murugappa

The ₹ 225 billion Murugappa Group.

Energising agri-business, engineering and finance sectors in the country.

Coromandel, Liberty Phosphates,
Sabero Organics - Fertilisers & Crop Protection

Parrys – Sugar & Nutraceuticals

Parry Agro – Tea

SA / Hercules – Cycles

CUMI – Abrasives, Ceramics & Electro Minerals

TI India – Tubes, Chains, Power Transmission
and Metal Forming

Chola MS – General Insurance

Chola – Investment & Finance

murugappa

www.murugappa.com

www.facebook.com/murugappagroup

YouTube www.youtube.com/murugappagroup

INTERFACE 340140

Welcome Byproduct

The partial withdrawal of sanctions on Iran will be a boon for the Indian economy.

By ANILESH S. MAHAJAN

RAJ VERMA

It was a senior official at Research and Analysis Wing (RAW), India's external intelligence agency who first conveyed the news. The deal India was hoping for had indeed been struck between Iran and the major world powers, by which the former had agreed to curb its nuclear programme in exchange for limited relief from the sanctions imposed on it. South Block mandarins who had been closely following the negotiations between Iran and the US, France, Germany, UK, China and Russia, were delighted.

That is because the breakthrough deal of November 24 has wide ramifications for India. The country is Iran's second-largest oil buyer after China but had to sharply cut back on purchases following the sanctions. India also owes Iran some $5.3 billion for oil purchases – the sanctions have not permitted Iran to repatriate cash earned from oil exports since February.

CHEAPER CRUDE OIL IMPORTS WILL EASE THE PRESSURE ON INDIA'S CURRENT ACCOUNT DEFICIT AND SUPPORT THE RUPEE

While sanctions still remain on Iran's crude sales, the deal, significantly, suspends sanctions provisions on insurance. This had left refiners who processed Iranian oil without cover and consequently forced India to lower its imports to below even the level permitted after the sanctions. The lifting of the European Union restrictions on insurance opens the door for Indian refiners to increase imports to contract levels without breaching sanctions. India imported roughly 18 million tonnes (MT) crude from Iran in 2011/12. It fell to 13 MT in 2012/13. This year India had imported just 3.5 MT crude from Iran till October-end.

Iranian crude is cheaper than that from most other countries, as Tehran offers discounts of $2 to $5 per barrel. The international prices of petroleum products have also softened with the partial lifting of curbs on Tehran. This could help to bring down India's fiscal deficit as well, as it would reduce the under-recoveries of oil marketing companies.

Cheaper crude imports would also ease pressure on India's current account and support the rupee. In a report, Citigroup said nuclear deal could be a "get-out-of-jail-free card" for current account deficit countries, such as India, Indonesia and Turkey.

However, India will not restart its oil and gas exploration programme in Iran's Farzad B gas field. State-owned Indian companies ONGC Videsh Ltd (OVL), Indian Oil and Oil India had formed a consortium and won the rights to explore the gas field, but India did not apply to renew the service contract because of the UN sanctions. "Now we will watch how things pan out in Iran in the next six months," an official from one of the partner companies said.

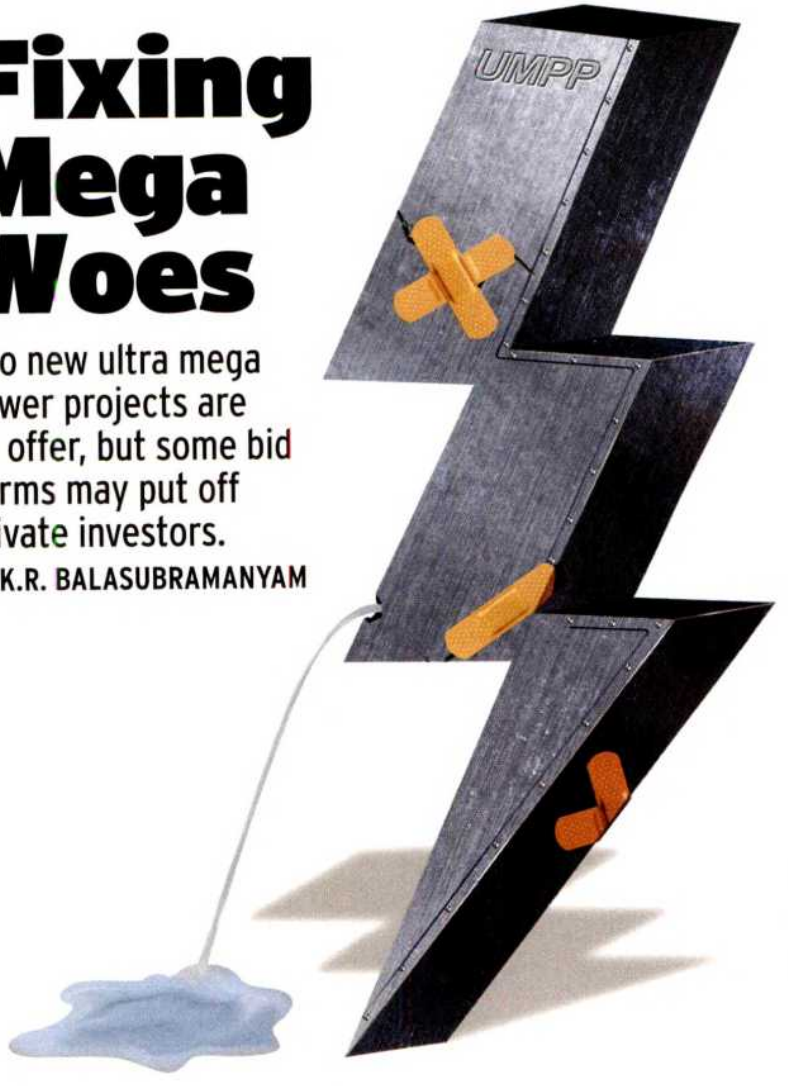
Officials in the petroleum ministry and the foreign office told *BT* they were looking at ways to clear the payments owed to Iran for oil imports. "We are expecting that the route of Turkey's Halkbank will open," says an officer from the foreign office. The route was blocked in February 2012. Earlier India was paying in euros through this bank. Petroleum Secretary Vivek Rae also confirmed that India would be sending a delegation to Iran to discuss payment modes. ◆

@anileshmahajan

Fixing Mega Woes

Two new ultra mega power projects are on offer, but some bid norms may put off private investors.

By K.R. BALASUBRAMANYAM



RAJ VERMA

TOTAL NUMBER OF PROJECTS: 16
NUMBER AWARDED: 4
IN THE PIPELINE: 2

MUNDRA, Gujarat
Awarded to Tata Power in April 2007
CAPACITY: 4,000 MW
STATUS: Fully operational
TARIFF: ₹2.26/unit

SASAN, Madhya Pradesh
Awarded to Reliance Power in August 2007
CAPACITY: 3,960 MW
STATUS: 660 MW unit in operation
TARIFF: ₹1.19/unit

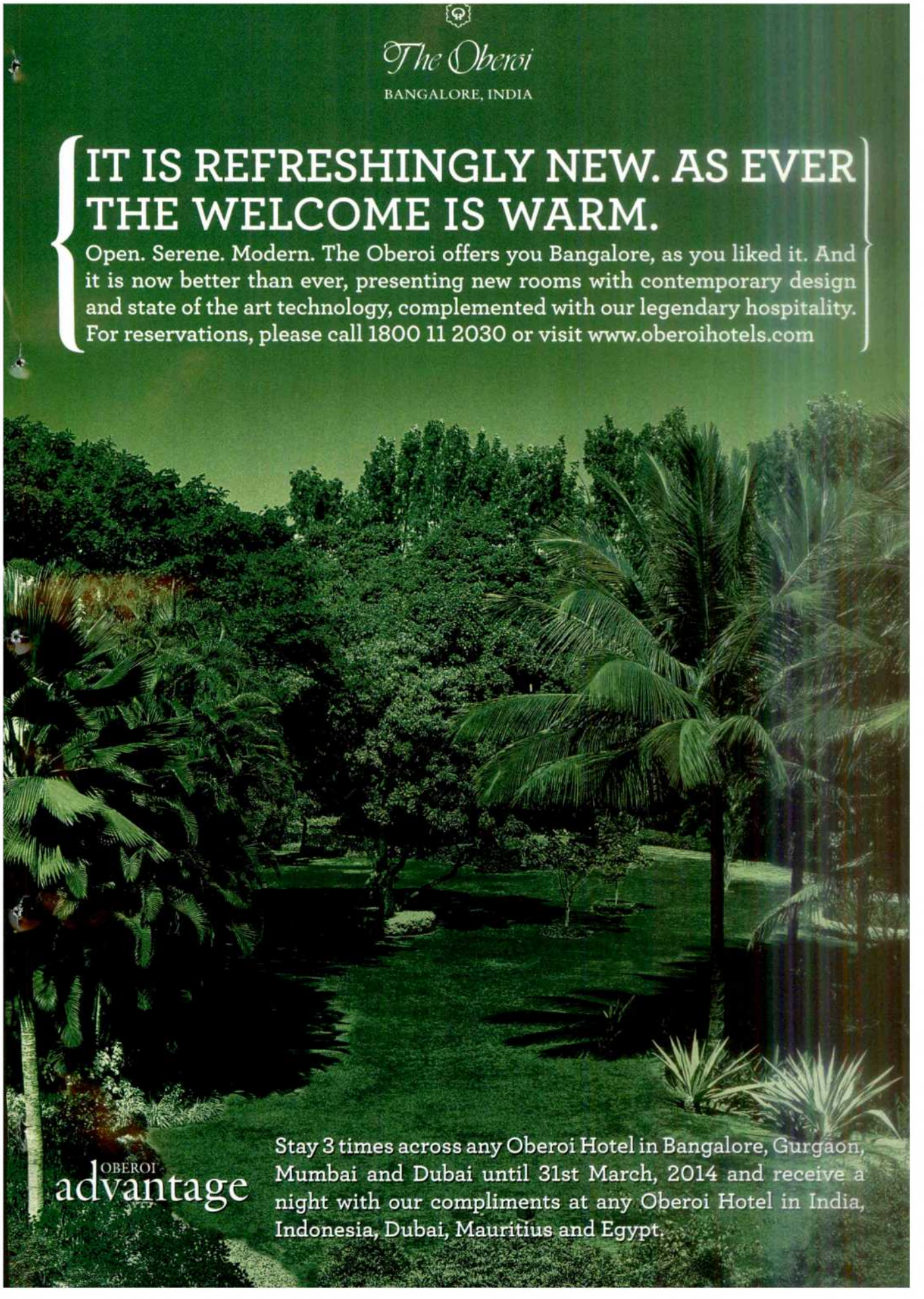
KRISHNAPATNAM, Andhra Pradesh
Awarded to Reliance Power in January 2008
CAPACITY: 4,000 MW
STATUS: Work stopped due to Indonesian coal pricing regulations
TARIFF: ₹2.33/unit

TILAIYA, Jharkhand
Awarded to Reliance Power in August 2009
CAPACITY: 4,000 MW
STATUS: Awaiting land
TARIFF: ₹1.77/unit

They were seen as the answer to India's mounting power woes. But in the nearly eight years since the government kicked off plans to set up 16 large power projects across the country, implementation has been hobbled by a host of problems, ranging from fuel supplies and land acquisition to tariff issues. Now, authorities are hoping to revive private-sector interest with two new so-called ultra mega power projects (UMPPs) in Orissa and Tamil Nadu that are part of the government's aim to provide cheaper power through economies of scale.

So far, the response has been encouraging. Some leading companies, including Tata Power and Larsen & Toubro, have participated in the qualification rounds of the tender process for the latest projects, kick-started by Power Finance Corporation Ltd. The power ministry is hoping the line-up of firms will boost private-sector investment in power, which fell sharply to about ₹55,000 crore in 2012/13 from ₹98,300 crore in the previous year. An ultra mega power project is about 4,000 MW in capacity and costs about ₹25,000 crore.

So, is it time to uncork the champagne? Not yet, say energy experts.


The Oberoi
BANGALORE, INDIA
IT IS REFRESHINGLY NEW. AS EVER THE WELCOME IS WARM.
Open. Serene. Modern. The Oberoi offers you Bangalore, as you liked it. And it is now better than ever, presenting new rooms with contemporary design and state of the art technology, complemented with our legendary hospitality. For reservations, please call 1800 11 2030 or visit www.oberoihotels.com
OBEROI advantage
Stay 3 times across any Oberoi Hotel in Bangalore, Gurgaon, Mumbai and Dubai until 31st March, 2014 and receive a night with our compliments at any Oberoi Hotel in India, Indonesia, Dubai, Mauritius and Egypt.

According to them, some of the problems that have dogged existing projects have not been ironed out. "Fuel uncertainties still remain," says Delhi-based energy analyst V. Raghuraman. "We cannot read too much into private-sector companies showing interest in the qualification round for a UMPP."

His concerns are not unfounded. The United Progressive Alliance introduced the concept of UMPPs in 2005/06 with the aim of bringing down the cost of generating power through scale and competition. In the past six years, the government has awarded four such projects: the first, in Mundra in coastal Gujarat, was bagged by Tata Power, while the Anil Ambani-promoted Reliance Power bagged the other three in Andhra Pradesh, Jharkhand and Madhya Pradesh.

So far, Mundra has commissioned all five 800-MW units, but the Tatas are selling Mundra power below the cost of generation because a change in coal pricing regulations in Indonesia has pushed up the cost of imported fuel. Reliance Power commissioned its first 660-MW unit at Sasan in March, but has stopped work on its Krishnapatnam project in coastal Andhra Pradesh because of the higher price of imported coal.

ENERGY EXPERTS SAY SOME OF THE PROBLEMS THAT HAVE DOGGED EXISTING PROJECTS HAVE NOT BEEN IRONED OUT

The revised bid norms, however, address this issue to a large extent. Developers can pass on the increase in the cost of coal due to extraordinary events such as a policy change. The architect of India's UMPP policy, former Union power secretary R.V. Shahi, says this is a positive step. However, the clause requiring developers to transfer the plants to the government after the expiry of the contract period may dampen investor sentiment. "The minus point is the new scheme is based on the build-operate-transfer model, which is being perceived by developers as well as bankers as negative. There is a big question mark," he says.

Given its experience with UMPPs, Power Finance Corp weighed the pros and cons, and tweaked the bid conditions before kicking off the latest tender process. One change, for example, is that the projects in Odisha and Tamil Nadu will have to source equipment from domestic manufacturers. All the earlier projects used imported equipment. The new rule is aimed at encouraging domestic manufacturers of power equipment and discouraging imports from Chinese rivals. A few large companies, such as Larsen & Toubro and JSW Group, have sewn up joint ventures with foreign firms for making equipment such as boilers, turbines and generators.

On the flip side, investors will lose out on the benefits of buying foreign equipment with cheaper overseas debt. Industry experts are not sure whether banks will be keen to fund the two UMPPs, because they are already sitting on a huge pile of bad loans. They are also likely to ask tough questions while evaluating the projects when developers approach them for a loan. "We have to wait and see how effective the initial response will turn out to be in terms of price bids, and whether these bids will be within reasonable limits," says Shahi, who now heads Delhi-based consulting firm Energy Infratech.

A power sector analyst with a leading brokerage says private companies have participated in the qualifying round to meet a technical requirement. They may not show similar enthusiasm while making tariff bids, given the lack of incentives. NTPC, however, is optimistic about the latest projects. "For the new UMPPs, I am glad that wide-ranging consultations have been done. We feel confident to successfully bid and win. Our balance sheet has enough cash available to enable us to invest in this endeavour," says its Chairman Arup Roy Choudhury. ◆

@balookr

Hospitality as legendary as our landscape.

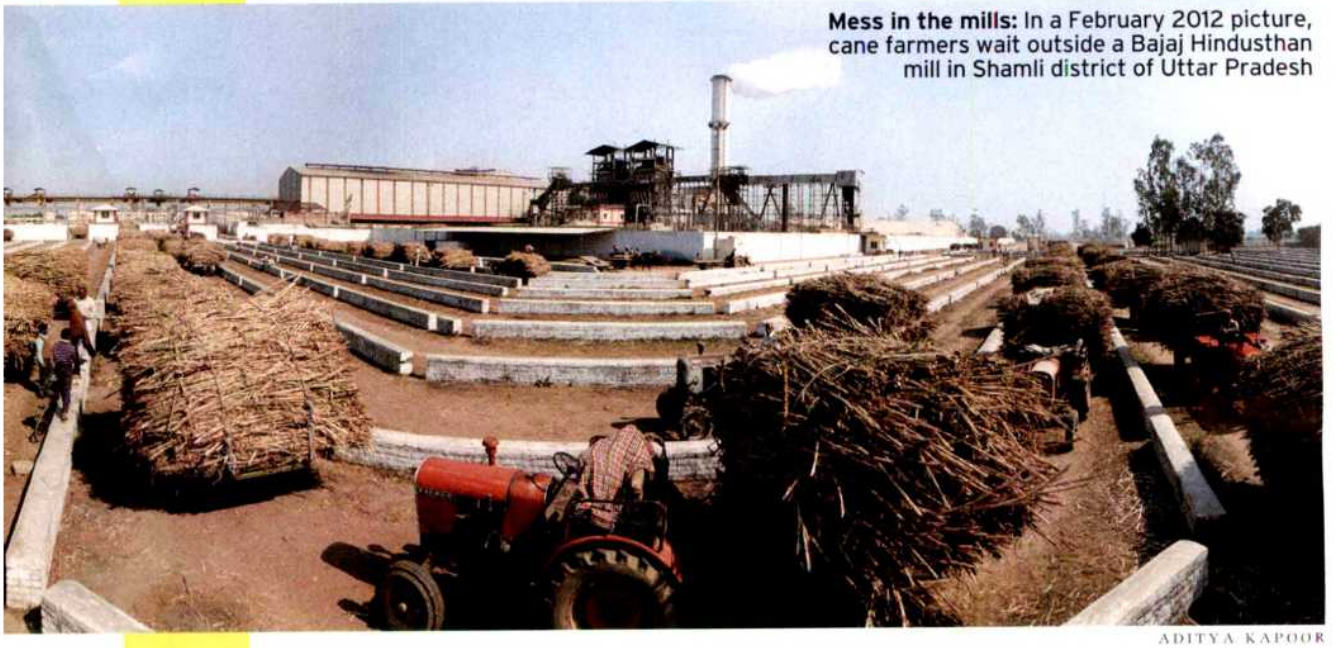
Warm hospitality. Friendly service. Fine cuisine. It's easy to fall in love with Switzerland – before you even catch a glimpse of the Alps. For bookings and inquiries about daily nonstop flights from Mumbai and Delhi to Zurich call 1-800-209-7240/(022) 6713 7200, contact your travel agent or visit swiss.com

A STAR ALLIANCE MEMBER

Our sign is a promise. SWISS

A Crushing Blow

A delayed cane crushing season in Uttar Pradesh is hurting both the industry and farmers in the country's second-biggest sugar producing state. By AJAY MODI



Mess in the mills: In a February 2012 picture, cane farmers wait outside a Bajaj Hindusthan mill in Shamli district of Uttar Pradesh

ADITYA KAPOOR

SUGAR MILLS SAY THE STATE'S "UNREASONABLE AND UNAFFORDABLE" PRICE FOR CANE CAUSED THEM HUGE LOSSES

After onions and tomatoes, consumers may have to brace for higher sugar prices. Sugar output in Uttar Pradesh, the country's second-biggest producer, is likely to fall as most mills are staying shut due to a dispute with the state government over the price of cane they pay farmers.

Private-sector sugar mills want the state government to cut the cane price from ₹280 per quintal to ₹225. Sugar mills in Uttar Pradesh, which accounts for 30 per cent of the country's output, usually begin crushing operations by mid-November but have not done so this year. On November 19, Bajaj Hindusthan and Balrampur Chini informed the stock exchanges of their decision to suspend crushing operations until the dispute was resolved. The state government's "unreasonable and unaffordable" price for cane caused huge losses to the mills and forced them to keep their factories shut, they said.

The Main Dispute

₹280 per quintal	Cane price* set by UP government
₹225 per quintal	Cane price mills are willing to pay

*Price for general variety that accounts for bulk of the sugarcane.

The industry has been pressing for a lower cane price in line with the recommendations of a committee headed by C. Rangarajan, the top economic adviser to Prime Minister Manmohan Singh, which submitted a price formula in its report last October. The formula suggests the cane price be fixed at 70 per cent of a mill's realisation from sugar, bagasse and molasses or 75 per cent of the price realised from sugar alone. The industry arrived at a cane price of ₹225 per quintal through this formula.

If the state government makes up for this gap of ₹55, it will have to fork out ₹4,000

VIT UNIVERSITY
(Estd. u/s 3 of UGC Act 1956)
VELLORE ■ CHENNAI
www.vit.ac.in

my subjects
my timings
my professor
my degree
my career

FFCS™

India's first university to offer Fully Flexible Credit System

- Opportunity to graduate with a double major
- Choice of major and minor programmes
- Degree with honours
- Choice of subjects for each semester
- Choice of time slots for each course
- Choice of number of subjects per semester
- Balanced curriculum, with subjects in Engineering, Science, Management and Humanities for all-round development
- Option to add / drop / withdraw subjects in each semester
- Opportunity for undergraduate research experience
- Opportunity for project-based learning
- Option to register for courses online
- Option to register for summer-term courses

As part of VIT's constant endeavour to provide the best education, we introduced India's first Fully Flexible Credit System (FFCS)™ four years ago – an innovation that gave the power of choice to students. With FFCS™, students can choose the right combination of subjects according to their interests and academic ability – a major in any of the engineering programmes and a second major in management. Students can also choose a major in one engineering programme and a minor in another engineering programme. By giving students the freedom to be the master of their own destinies, we have successfully helped them excel in their chosen field of study.

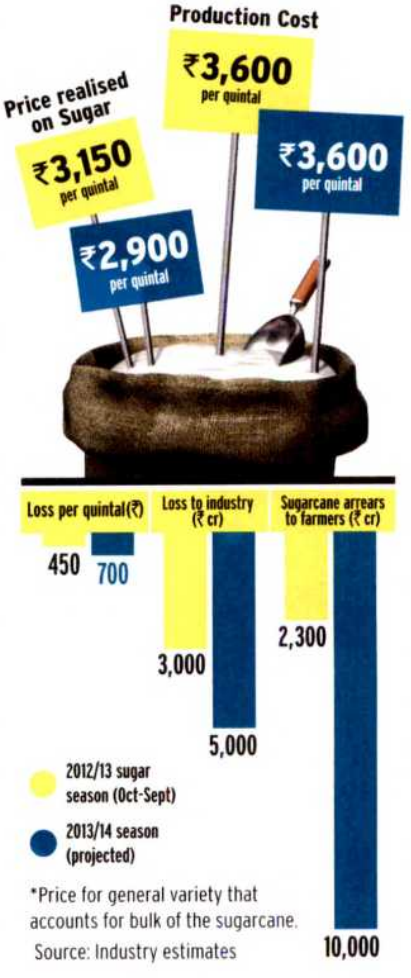
crore as subsidy, according to industry estimates. Union Food Minister K.V. Thomas says the central government was open to helping the sugar mills. "The delay affects the industry as well as farmers," he says.

Sugarcane pricing has become a political issue as it affects millions of farmers. Successive state governments have largely ignored the economic rationale and steadily raised prices year after year. Mills in Uttar Pradesh purchased cane worth ₹22,000 crore from farmers last year at ₹280 a quintal. But they still owe ₹2,300 crore to farmers as sugar prices remain low because of a surplus for three years. Things do not look different this year either. Export prospects are also bleak due to a glut in the international market.

CANE PRICING HAS BECOME A POLITICAL ISSUE AS IT AFFECTS MILLIONS OF FARMERS. SUCCESSIVE GOVERNMENTS STEADILY RAISED PRICES YEAR AFTER YEAR

Bitter Taste

Mills are suffering massive losses as cane prices are high while sugar prices remain low



*Price for general variety that accounts for bulk of the sugarcane.

Source: Industry estimates

Problems in the state's sugarcane economy will impact sales of several products such as autos, tractors, consumer durables, cement and steel. Mills will likely face difficulties in making payments to farmers this season as well. According to the Indian Sugar Mills Association (ISMA), mills in the state suffered a loss of ₹3,000 crore in the sugar season that ended September 30. The lobby group estimates the loss will widen to ₹5,000 crore this season if mills pay the state-mandated price.

Talks between Uttar Pradesh Chief Minister Akhilesh Yadav and the mills led by Bajaj Hindusthan Vice Chairman Kushagra Bajaj and Balrampur Chini Managing Director Vivek Saraogi to salvage the situation have fallen through. While talks were on, the government filed cases against promoters of Triveni Engineering and Dhampur Sugar to put pressure on the mills.

Rahul Bhatnagar, Principal Secretary in charge of sugar industries and cane in Uttar Pradesh, says the state government has given several incentives to the mills that work out to seven rupees per quintal of cane. "If they don't run the mills, we will take all possible actions."

But the sugar industry has dug in its heels. "We are ready to face any action, including arrest, but we would not start operations under current circumstances," says Abinash Verma, Director General of ISMA. Verma adds that banks have also stopped giving loans to the sugar industry, multiplying the mills' problems.

The cane price dispute could also affect sowing of wheat in Uttar Pradesh, the country's biggest producer of the grain. "Farmers need to clear the fields to sow wheat," says an industry executive, who does not want to be named. "They would want to cut sugarcane even before the mills give them a schedule to supply. It will affect the mills as recovery will be lower." Recovery refers to the amount of sugar that can be produced from a given quantity of cane. It could be lower due to a time lag between cutting and crushing cane.

Another industry executive, who also does not want to be identified, says the delay in crushing is hurting farmers as well. "Today, price is not their priority. They wish to start cane supplies as soon as possible," the executive says. "They have financial obligations and expenses like everyone else." ◆

@ajaymodibt

Here's a way out!
Organizations with high success rates use project management methodologies.

Have you made the switch yet?

High performing organizations are increasing their success rate by:

- Investing in PMI certified Project Management Professionals (PMP)®.
- Providing training and professional development opportunities.
- Standardizing practices and tools which result in greater efficiency and more scope for innovation.
- Aligning project, program and portfolio management to organizational goals.

Your organization too can benefit immensely by having PMPs in your project team. Contact us to get more details about PMI Certifications and how your team can get certified.

Good things happen when you get involved with PMI.

To know more about PMI Certifications, log on to
www.pmi.org.in/downloads/PMI.Pulse.Talent.Management.pdf
For details please write to pmi-india@pmi.org or SMS **PMI** to 56767

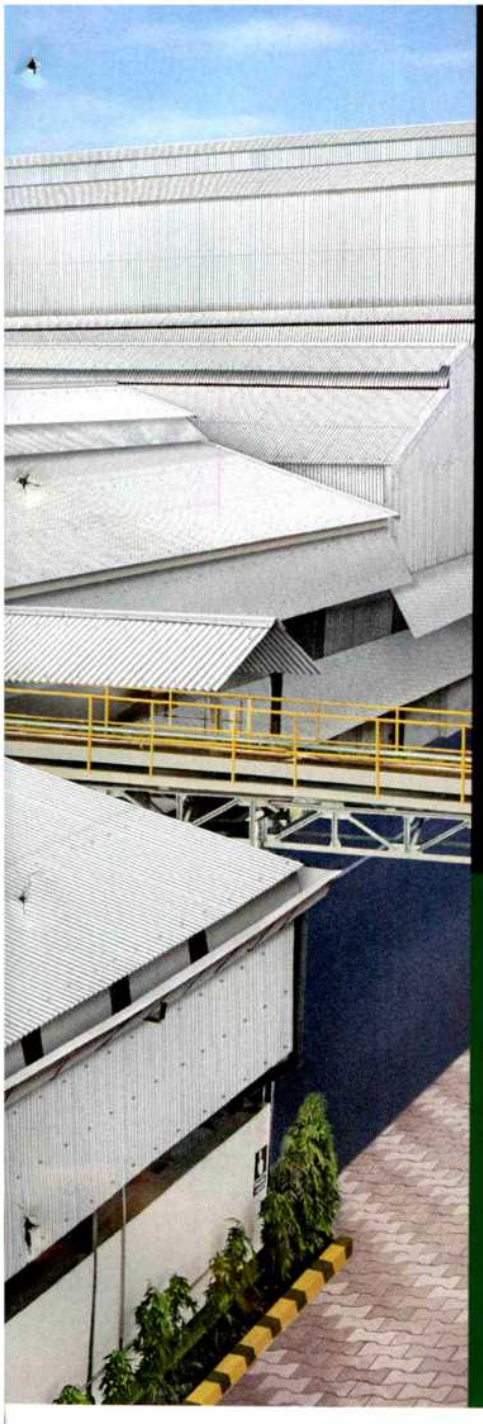
PMI
Project Management Institute

PMI, the PMI Logo and PROJECT MANAGEMENT INSTITUTE are marks of Project Management Institute, Inc.

A roof that never lasts? Or a roof that ever lasts?

The choice is simple.

For more information, please **call: 1800-103-9494.** E-mail: hindalco.everlast@adityabirla.com | **www.everlastaluminiumroofing.com**



Everlast Aluminium Roofing Sheets **last longer** than any other roof.

Everlast is a quality product from Hindalco – the world's largest manufacturer of aluminium rolled products. Everlast is made from high-quality virgin aluminium alloys with best-in-class technology and processes which impart strength and durability. Everlast does not rust and needs no maintenance, thereby saving costs. Everlast's superior thermal properties moderate the temperature under the roof by keeping it cooler in summers, and warmer in winters. This saves energy and provides a comfortable work environment, which improves productivity. What's more, Everlast offers an end-of-life resale value of up to 60%.

Protection for a lifetime.

IDEAL ROOFING AND CLADDING SHEETS FOR:

• Industries • Warehouses • Farms • Railways • Plantations • Buildings

Available in a variety of colours.

GREEN METAL

ENDLESSLY RECYCLABLE

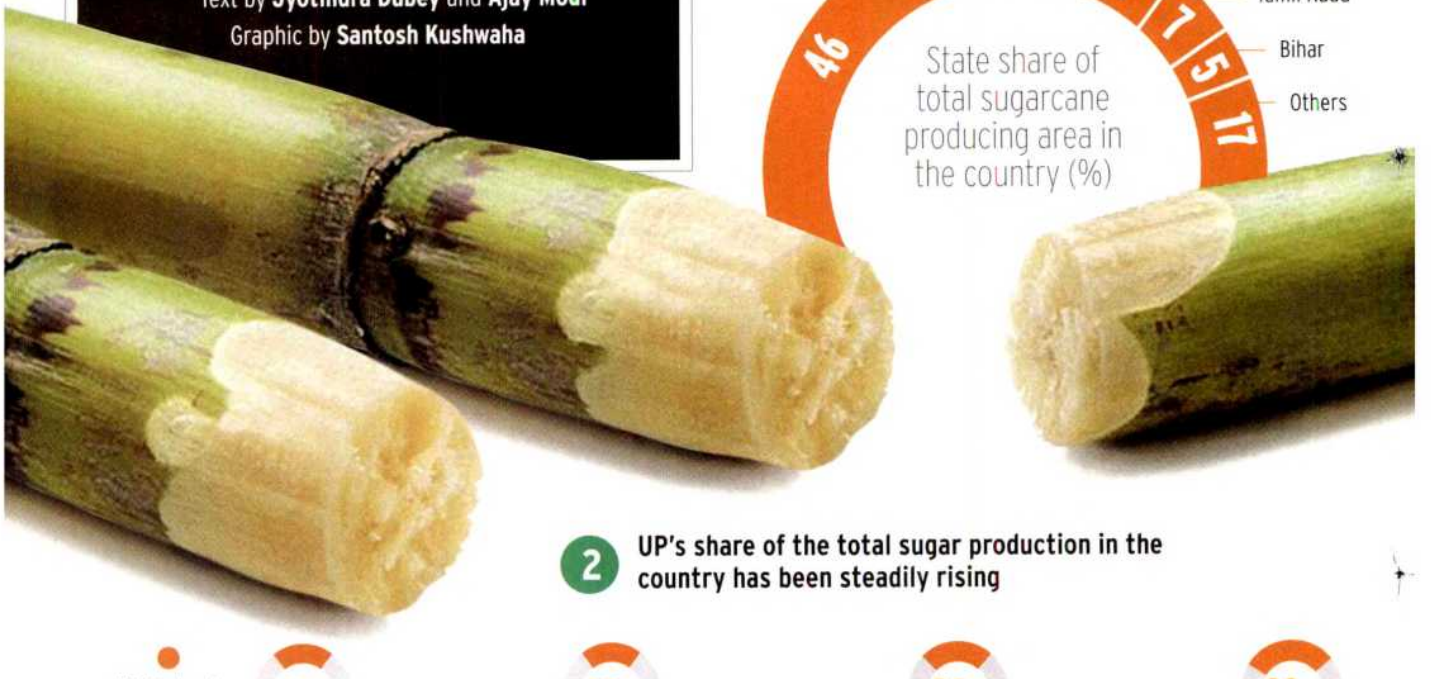
HINDALCO
Everlast
Aluminium Roofing & Structurals

Nothing lasts as long as Everlast

SUGARLAND DISTRESS

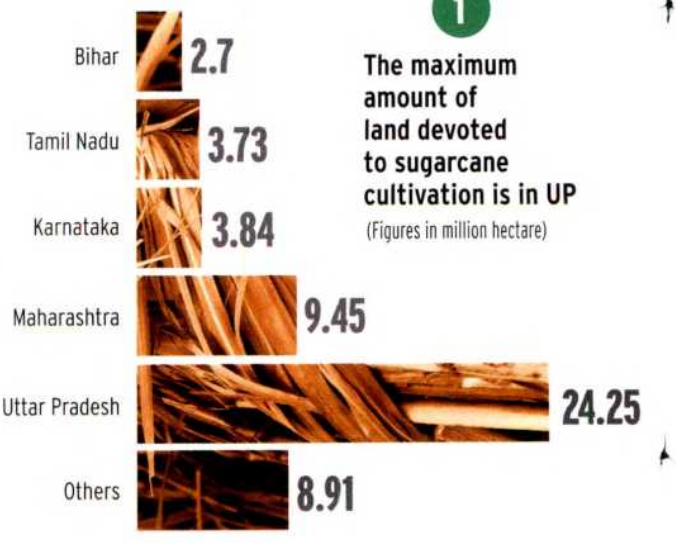
The sugar industry in Uttar Pradesh, India's largest sugarcane-producing state, is in crisis. Around 75 of the state's 123 sugar mills have chosen not to run this season and have stopped buying sugarcane to protest against the high sugarcane purchase price set by the Uttar Pradesh government.

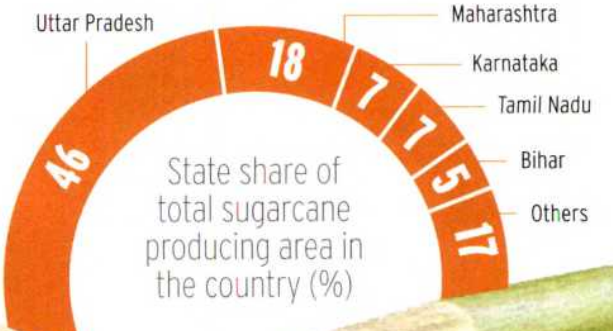
Text by **Jyotindra Dubey** and **Ajay Modi**
Graphic by **Santosh Kushwaha**



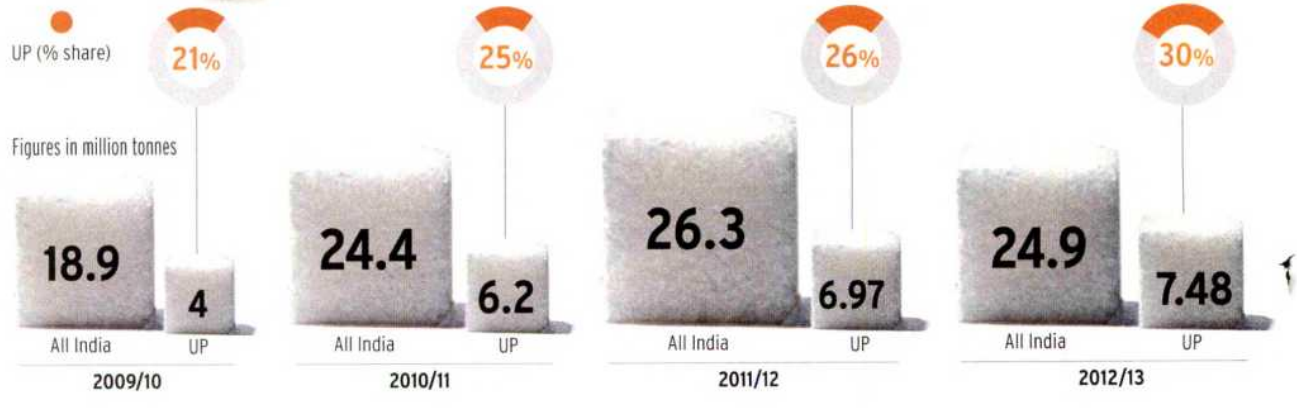
1 **The maximum amount of land devoted to sugarcane cultivation is in UP**

(Figures in million hectare)





2 **UP's share of the total sugar production in the country has been steadily rising**

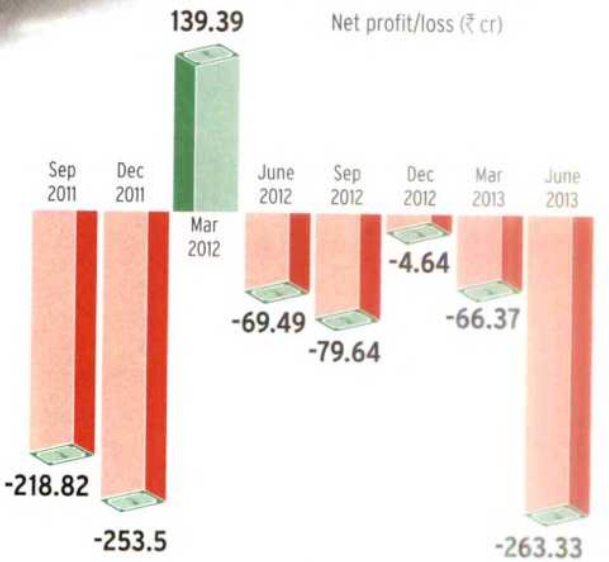


3 A number of states, including UP, set a minimum price, the State Advised Price (SAP), at which mill owners must buy sugarcane. To win the support of sugarcane farmers, the UP government has been recklessly increasing the SAP over the years

*Sugar (Medium) - Muzzaffarnagar trading on NCDEX

4 With the SAP in UP rising, the cost of buying sugarcane constitutes a much larger chunk of the sugar price for UP-based mills than for mills in other states

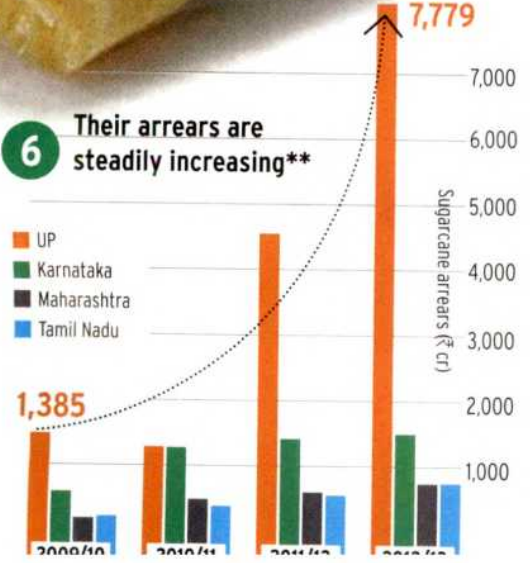
5 The financials of UP sugar mills are a mess with losses in almost every quarter



*Listed UP sugar companies used for above calculation: Dhampur Sugar Mills Ltd., Dwarikesh Sugar Inds. Ltd., K M Sugar Mills Ltd., Oudh Sugar Mills Ltd., Simbhaoli Sugars Ltd., Triveni Engineering & Inds. Ltd., Upper Ganges Sugar & Inds. Ltd., Bajaj Hindusthan Ltd., Balrampur Chini Mills Ltd.

** As on March 31 (end of the last crushing season)

6 Their arrears are steadily increasing**



Smartphone Effect

Smartphone sales continue to grow fast, but feature phone sales have fallen for the first time.

By SUNNY SEN

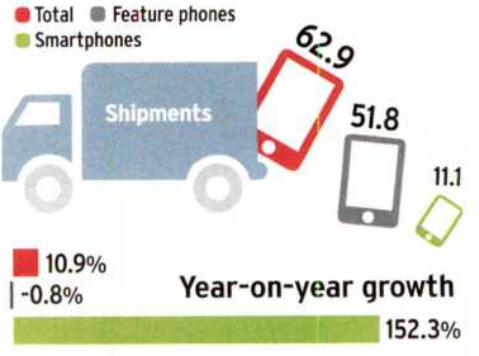
IN THE THIRD QUARTER OF 2013, FEATURE PHONES ACCOUNTED FOR 42% OF THE MARKET, DOWN FROM 78% IN THE SAME QUARTER OF 2011

For the first time since the advent of mobile phones in the 1990s, sales of feature phones fell in the July-to-September quarter, mostly because of the meteoric rise in smartphone sales in the country. According to CyberMedia Research, which tracks mobile phone shipments, the quarter saw feature phone sales drop by 0.8 per cent, compared to the same quarter in the previous year. Smartphones grew 152.3 per cent in the July-to-September quarter.

The shift is sudden, considering that in 2012, feature phones grew at 19.9 per cent. In the July-to-September quarter of this year, 51.8 million feature phones and 11.1 million smartphones were shipped.

In revenue terms, according to another global research firm, the shift has been more drastic. In the July-to-September quarter of 2011, feature phones accounted for 78 per cent of the $3.3-billion mobile phone market.

FEATURE PHONE SALES DIP



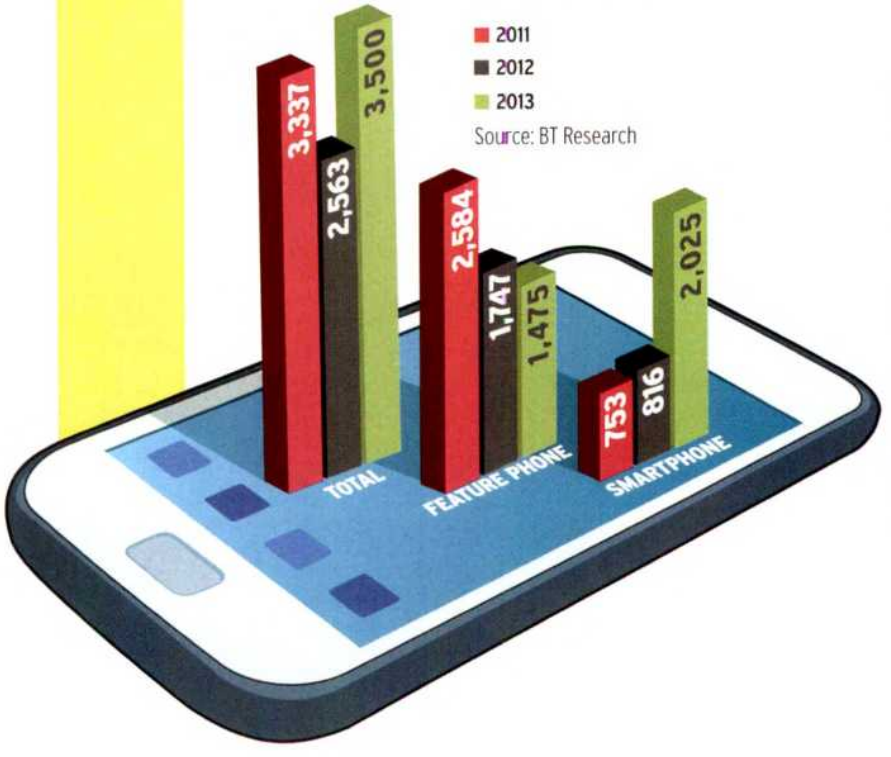
Shipment figures in millions, for July-to-September quarter
Source: CyberMedia Research

In the same quarter of 2013, they accounted for only 42.3 per cent of the $3.5-billion market, largely because home-grown brands such as Micromax and Karbonn offered smartphones at much lower prices. Smartphones are taking over fast, and feature phones could soon be a thing of the past. ◆

@SunnySen

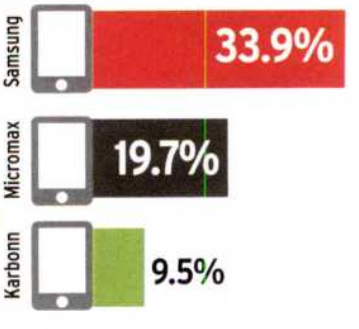
CHANGING TURF

Mobile market size by revenue
Figures in $ million for July-to-September quarter



SMARTPHONE KINGS

Market share of India's top three smartphone companies



Source: CyberMedia Research

IBM
IBM Cloud hosts 30% more top websites than anyone in the world.
IBM Cloud hosts more of the most-highly trafficked websites than Amazon and every other cloud provider. And our SoftLayer bare metal options allow cloud clients to run their most demanding apps on dedicated servers—without unwanted interference from their virtual neighbours. Visit us at ibm.com/getstarted/in or call us on toll free: 1800 425 3333.
This is Cloud on a Smarter Planet.
30% data sourced from HostCabinet, as of 10/25/13. IBM, ibm.com, Let's build a Smarter Planet, Smarter Planet and their logos are trademarks of IBM Corp, registered in many jurisdictions worldwide. See current list at ibm.com/trademark. SoftLayer is a registered trademark of SoftLayer Technologies, Inc. © International Business Machines Corp, 2013.

Trainer-over-video

App: Wello; **Cost:** $4.99; iOS

Is your workout routine affected by your need to constantly travel? Now you can take a personal trainer with you wherever you go. Wello offers individual and group workouts (one trainer teaches three to five clients) over live video chat. A group workout start at $10 per session. A one-on-one session costs $19. All you need is a room, a laptop and an Internet connection. The trainers teach yoga, CrossFit, bootcamps, Zumba, and more.

A PERSONAL TRAINER APP, A SHRINKING HTC ONE, AND A CHROMEBOOK FROM HP

Smaller, Sleeker

The HTC One was a beautiful device backed by amazing performance. But the big 4.7-inch display wasn't really comfortable to hold or slide into one's pocket. So HTC has introduced the One Mini. It is same as the HTC One with slightly smaller dimensions. The display size has been reduced to 4.3 inch, which makes it convenient to type on and grip with a single hand. It has a neat uni-body design. The customised user interface with the BlinkFeed that refreshes content on the homescreen is a great feature. Like its larger sibling, the Mini has a 4MP UltraPixel camera. But it lacks optical image stabilisation. Overall, the images captured were crisp and had natural colours. The low light images were good. The battery back-up is not very impressive. It died before the end of the day and needed recharging.

Compact; Neat design

Price; Heats up fast

HTC One Mini **Price:** ₹32,999

Net-dependent

Good looks, Easy to use

Requires Internet, Price

The Chromebook's real strength is the Chrome Web browser and your Google account. You have to connect it to a Wi-Fi network and configure the account. Pre-installed apps including Google Drive, Maps, Gmail, YouTube, etc, and more can be downloaded from the Chrome Web Store. However, the Chromebook comes with limited onboard storage of just 16GB. But there is 100GB of storage on Google Drive free for the first two years. Connectivity options are many – two USB 3.0 ports along with one USB 2.0 and a full HDMI port. You can also connect a 3G modem. The virus protection is in-built. It is best used connected to the Internet, but can be synced with Google Drive to offline mode for accessing documents on the go. This Chromebook has a tremendous display, great build and snappy performance, but its battery life does not match its claims. The company promises 9.5 hours of battery back-up, but we got close to eight hours only.

HP Chromebook 14 **Price:** ₹26,990

NIDHI SINGAL

muthootfinance.com

126 years of trust
Muthoot Group

REACHING THE UNREACHED, SERVING THE UNDERSERVED. MUTHOOT FINANCE, *RURALLY INCLUSIVE.*

70%
branches in rural
&
semi-urban areas

- 4,440+ branches spread across 21 states and 4 union territories
- Loans starting from ₹1500 to ₹1 crore
- 25,000+ dedicated employees to serve you with a smile
- 81,000+ customers served every day

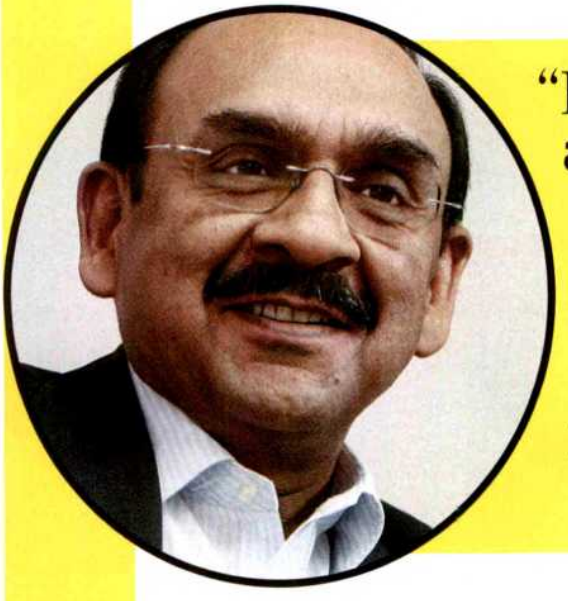
Sapney aapke, prarthana hamari.

Muthoot Finance

A Muthoot M George Enterprise I Since 1887

"Only when sexual harassment victims start claiming monetary damages ... will Indian companies sit up and take notice"

T.V. Mohandas Pai, *Chairman, Manipal Global Education, & former board member, Infosys Ltd, in* Business Standard



"Better governance is absolutely essential and at CII we will do whatever it takes to ... ensure that the women in the workforce do not face any harassment"

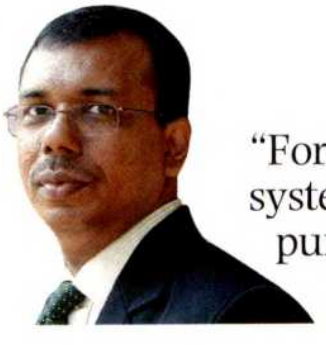
Ajay S. Shriram, *President Designate, CII, & Chairman & Senior MD, DCM Shriram Consolidated Ltd, in* Hindustan Times

"We have a women's network which engages with the top management on a continued basis to give feedback"

Kiran Mazumdar-Shaw, *CMD, Biocon Ltd, in* Hindustan Times

"I THINK SEXUAL HARASSMENT IN THE WORKPLACE IS PERVASIVE IN INDIA, YET THE CULTURE OF SILENCE IS HUGE"

Indira Jaising,
Additional Solicitor General, to Agencies



"For people to have faith in your system you also needw to publicise the punishment given to the offender"

K. Ram Kumar, *Executive Director, ICICI Bank, in* The Economic Times

Capture images in still and video with intuitive focus.

Dual Pixel CMOS AF

Simulated images

The new Dual Pixel CMOS AF. The advanced Auto-Focus technology from Canon.

Presenting the next technological wonder from Canon – Dual Pixel CMOS AF. Approx. 40.3 million photodiodes on the CMOS sensor enable precise focusing at any given time. And captures videos without a glitch. A revolutionary technique of clicking images and capturing videos.

For the EOS 70D, Dual Pixel CMOS AF works within approx. 80% shooting area maximizing horizontal and vertical coverage.

One camera. Unlimited possibilities.

Canon

©2013 Canon Inc. canon.com

Conditions Ripe for Entrepreneurs

Raoul T. George
PGDM (HRM), XLRI

AGREE

"Expect many more Narayana Murthys and Subrata Roys"

To foster an entrepreneurial environment a country must concentrate on developing its people's personal skills, such as knowledge and attitude, and have a supportive business environment. A Gallup report says nearly 60 per cent of Indians possess the three main personality traits crucial for success as an entrepreneur: business thinking, optimism and persistence.

In 2010, according to a Research and Markets' 2011 report, 1,500 students were trained at entrepreneurial institutions and 4,700 enrolled in entrepreneurship programmes at different business schools. This number has been doubling ever since. Thus India has a wealth of talent that could be nurtured to don the roles of entrepreneurs in the future. Many successful entrepreneurial ventures such as Capillary, Ciafo, InMobi, BookMyShow have already paved the way.

A Government of India report says there are over 26 million small and medium enterprises in the country at present. Nearly 55 per cent of them are rural enterprises. There is increased availability of financing – venture capital investments have more than doubled since 2005 through numerous angel investors. This shows conditions are ripe in India for entrepreneurship.

Pallavi Sood
PGDM, International Management Institute

DISAGREE

"There are roadblocks galore impeding entrepreneurs"

Budding entrepreneurs in India, who while kick-starting their odyssey believe they are set for a billion-dollar opportunity, soon find a glass wall ahead of them with the red tape of regulatory and administrative bottlenecks, corruption and policy hurdles across it.

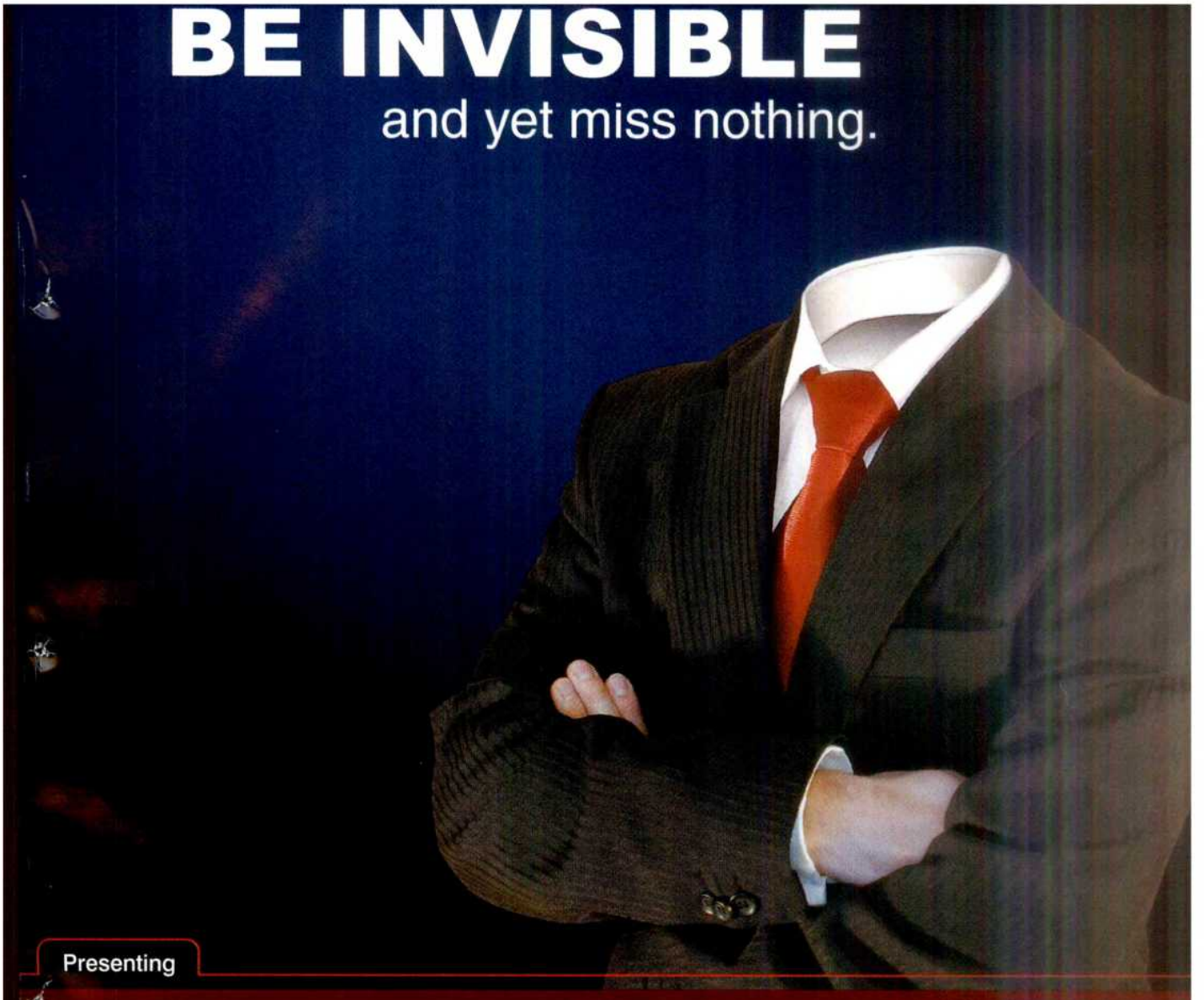
It takes more than a month to register a company, more than a few documents to open a current account and a big chunk of the accumulated profit to close a venture. Unfavourable market conditions created by import and export burdens, licensing restrictions, price controls and the ban on foreign direct investment in sectors like e-retail are further crippling growth. As far as financing is concerned, seed capital and early stage venture capital funding figures have been discouraging so far.

Lack of social legitimacy for those dealing with the uncertainties of an entrepreneurial career, together with the risk aversion tendency in Indians remains a prime source of entrepreneurial demotivation. Lastly, lack of expertise in Indian entrepreneurs in developing globally integrated businesses can be traced back to the defects of our obsolete educational system which still does not inculcate the fast-paced technological dynamism required of entrepreneurs.

The debate continues online. Management students, do log on to *www.businesstoday.in/bschooldebate* and record your views as well, to make this an intellectually stimulating endeavour. The most well-thought out comment wins a year's subscription to *Business Today*. Tulika Lall, a second year student at IIM Kozhikode, wins a subscription for her comment on *India is hostile to foreign investors*

BE INVISIBLE

and yet miss nothing.



Presenting

The most advanced Banking Security Solutions from AnG India that discreetly ensure maximum safety and protection of your entire infrastructure.

When it comes to your bank, securing your customers' money is of foremost importance. So why take any chances. Simply trust AnG India, an end-to-end security solutions provider that offers customised solutions with the most evolved and cutting-edge products - all backed by reputed 24x7 service. No wonder, India's biggest names in banking only rely on us for all their security needs, especially **CURRENCY CHEST**.

AnG India Ltd.

India's leading end-to-end security solutions provider

35,000+ bank installations | 30 years of experience | 60+ Service Centers across India

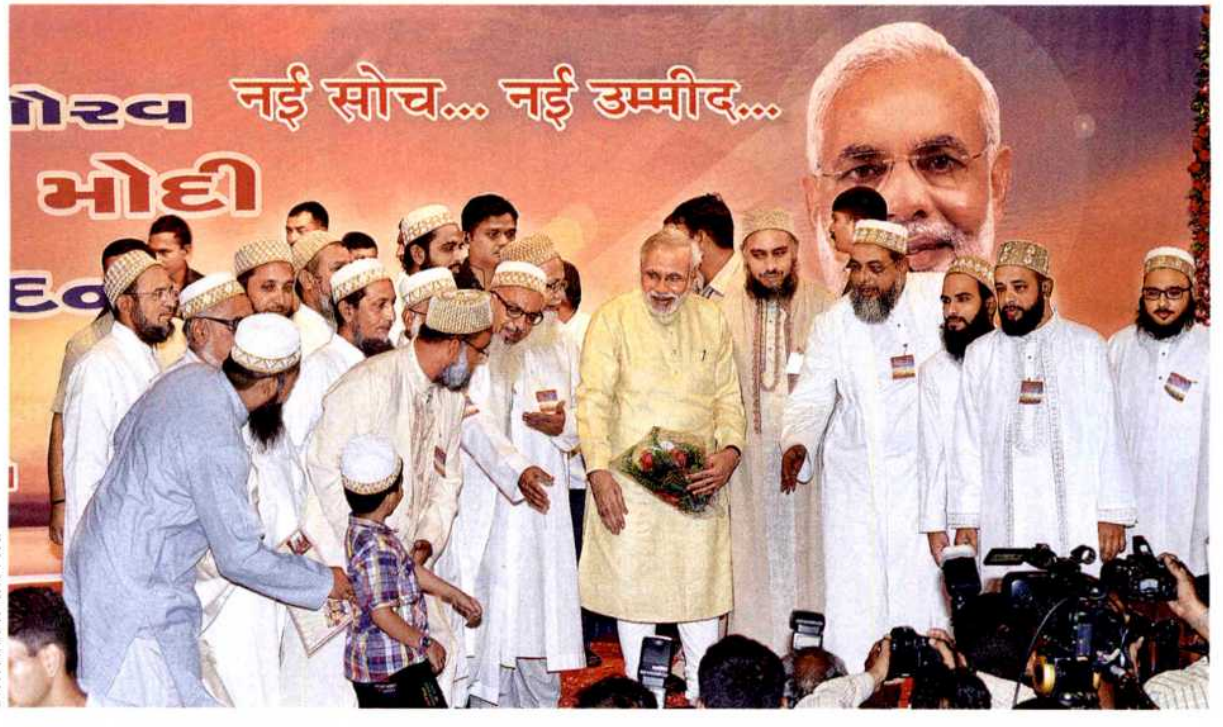
Get in touch with us to know more. Email: info@angindia.in

ELECTRONIC SECURITY | ACCESS CONTROL | CCTV SURVEILLANCE | FIRE ALARM | PERIMETER | BOOM & SPIKE BARRIERS | VEHICLE MONITORING SYSTEM

Corp. Off. AnG House A-34, Sector 83 Noida (U.P.)-201305, Regd. Off. 30, Community Centre, 1st Floor, East of Kailash, New Delhi-65.

WHO'S AFRAID OF NARENDRA MODI?

Muslim businessmen in Gujarat no longer seem to be shunning the BJP's prime ministerial candidate. By ANILESH S. MAHAJAN



SHAILESH RAVAL

Reaching out: Modi with a group of Muslims who joined the BJP in Ahmedabad on his birthday in September

Zakir Hussain thought of leaving Gujarat in 2002 after two of his restaurants were burnt down in some of India's worst religious riots since the Partition. Frightened for their lives, the Gujarati businessman and his family were holed up in their Ahmedabad home for an entire week even after the violence was over. "I do not know who did what. My business was lost. I had made up my mind to wind up and look for a safer harbour," he says. "But I remember, it was my mother who refused to leave, and we stayed back."

Hussain says he's glad he stayed back. Today, he runs one of Ahmedabad's most popular Mughlai food restaurants called WoW, a fine dining place with a terrace barbeque a stone's throw from the city's heritage Ellis Bridge. Business has been good and the restaurant is packed most evenings. It isn't the only one: the Hussain family's seven other restaurants and two budget hotels in Ahmedabad are also thriving.

For hundreds of Muslim businessmen in Gujarat such as Hussain, the 2002 riots were a watershed moment. Many of them migrated from

the state altogether, while those who stayed back had to virtually start their businesses again from scratch. More than a decade on, some Gujarati Muslim businessmen say they have succeeded in rebuilding their lives in part because of the state's investor-friendly economic development model. They disagree with Chief Minister Narendra Modi's politics, but say he has cut red tape, made the administration more responsive and lured many companies to invest in Gujarat.

Although many Muslims in Gujarat do not speak openly for fear of reprisals, *Business Today* spoke to about 10 Muslim businessmen in various sectors who said Modi's governance and ability to take decisions made him stand out amongst all chief ministers. "Law and order is under control, people move freely, I no longer have to pay *hafta* to anyone. Things related to government have become simpler and transparent. I can freely concentrate on my business," says Hussain. "I may not love Modi, but I will vote for him.

Economists are split on the economic model adopted by Modi. Some say it has reduced poverty levels in the state of about 60 million and the nine per cent Muslims are among the beneficiaries of the boom. To be sure, growth in Gujarat has outpaced the national economy in recent years. The state's economy grew about 10 per cent a year between 2002 and 2013 while the country's economic expansion slipped from near double-digits to five per cent levels during this period. But critics say some states such as Tamil Nadu have grown at an even faster pace. Moreover, the fruits of economic development have not touched the poor and disadvantaged in Gujarat, which lags other states on social indicators such as health and education. "Gujarat is behind, particularly on the social side – lower educational pace, lower life expectancy, greater gender inequality, a busted healthcare system and that has not worked so well," Nobel Prize-winning economist Amartya Sen said at a media programme this year. "What has been rather efficient in business has not been so efficient on things that we are trying to concentrate in India – to have a healthy, educated labour force."

Surging Ahead

How Gujarat's growth rate stacks up against India's

Compound annual growth rates in Gujarat and India (in per cent)
Source: *Gujarat: The Happening State* by Archana Dholakia and Ravindra Dholakia

As India heads closer to a general election, one question several people are asking is: are Muslim businessmen in Gujarat afraid of Narendra Modi or are they veering around to engage with the Bharatiya Janata Party's (BJP) prime ministerial candidate? Zafar Sareshwala, Modi's backroom man and CEO of Parsoli Motors, which sells BMW cars in Gujarat, says Muslim intellectuals are tentatively engaging in discussions with Modi. Sareshwala, who lost his business after rioters ambushed his office in 2002 but has rebuilt it since, filed cases against Modi and the then home minister, L.K. Advani, in the International Court of Justice. He lobbied the UK government and later the US establishment to deny a visa to Modi. Today, he is urging Muslim intellectuals and scholars to talk to the Gujarat chief minister. "The problem is that they start getting adverse feedback from their own peer group as soon as Modi's name comes up," says Sareshwala.

Sareshwala may have switched to Modi's team today, but the Gujarat chief minister is still a deeply polarising figure. His detractors blame him for not reaching out to Muslims, especially the non-business community. "Modi should have made efforts to reach out to the Muslim commu-

www.wave-inc.com

WAVE

An Organisation built on Trust

WAVE Infratech | WAVE Industries | WAVE Distilleries & Breweries Ltd | WAVE Premier Sports | WAVE Beverages | WAVE Cinemas | WAVE Malls | The Ponty Chadha Foundation

REAL ESTATE | SUGAR | PAPER | DISTILLERIES & BREWERIES | SPORTS | BEVERAGES | EDUCATION | MALL & MULTIPLEXES | FILM DISTRIBUTION | CS

Corporate Office: Wave Group, C - 1, Sector - 3 , Noida - 201301 (U.P.) India | Board No. +91 120 4180500 | Fax No. +91 120 4180541

DESPITE MODI'S EFFORTS, HE REMAINS A DEEPLY POLARISING FIGURE AND MUSLIMS ARE STILL A MARGINALISED COMMUNITY IN GUJARAT

nity. He has left no window open," says Hanif Lakdawala, founder of human rights organisation Sanchetana and a staunch critic of Modi. Ali Hussain Momin, a young entrepreneur, has mixed feelings about Modi. The head of an Internet start-up in Ahmedabad, he says it has become easier to do business in Gujarat, even if an entrepreneur is Muslim. "But as an individual, I still believe Modi has done little to engage with our community," adds Momin, who hosted the first property show for Muslims in Ahmedabad last year.

On his part, Modi is now trying to reach out to Muslims ahead of the general election due in May next year. His efforts come after he created a political storm by using a puppy analogy while referring to the deaths in the 2002 riots and after he ran headlong into controversy by accusing the Congress of wearing a "veil of secularism" every time it was in trouble. He has told his partymen not to consider Muslims "unapproachable", prompting his party's minority affairs wing to organise a series of outreach programmes. "For the first time in independent India, the opposition is trying to set an agenda of governance, for the first time you are getting an economic philosophy as the centre of the agenda in national debate," says Hindustan Construction chief Ajit Gulabchand.

Despite Modi's efforts, Muslims still remain a marginalised community in Gujarat. "There are no Muslim MLAs in the ruling party, there is hardly any Muslim name in police top league, there is no Muslim in the bureaucracy. You can count the Muslim businessmen. At the national level, he would have to open some space for minorities," says Lakdawala of Sanchetana. He adds that Muslims are getting more jobs in the private sector, but their share of government jobs is still small. But Sareshwala disagrees "There are 69 Muslim MLAs in UP. Has it made any difference to the lives of Muslims there? I strongly advocate that Muslims must excel in health, education, businesses and all professions. The political power will automatically follow," he said.

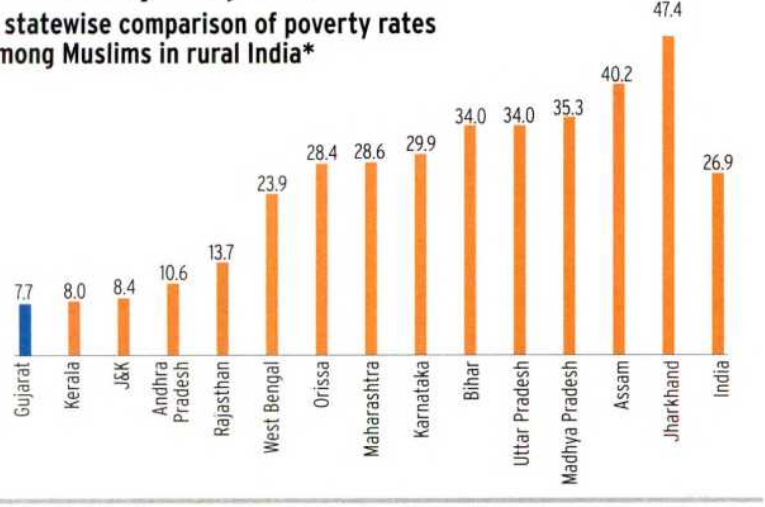
Analysts say Modi may have converted Gujarat into an economic powerhouse, but will not succeed in replicating the state's experience across India if he becomes prime minister. They say many elements of his economic model were already in place even before he became chief minister and much of Gujarat's success is a result of the entrepreneurial spirit of the Gujaratis. "Modi has run Gujarat state well, but in a limited way. This is because he inherited a properly functioning administrative machinery and a prosperous economy when he came to power in 2001," says well-known sociologist Dipankar Gupta. "He got the golden wheel spinning. It is to his credit that he did not stop it, but kept it spinning." ◆

ADDITIONAL REPORTING BY SHWETA PUNJ

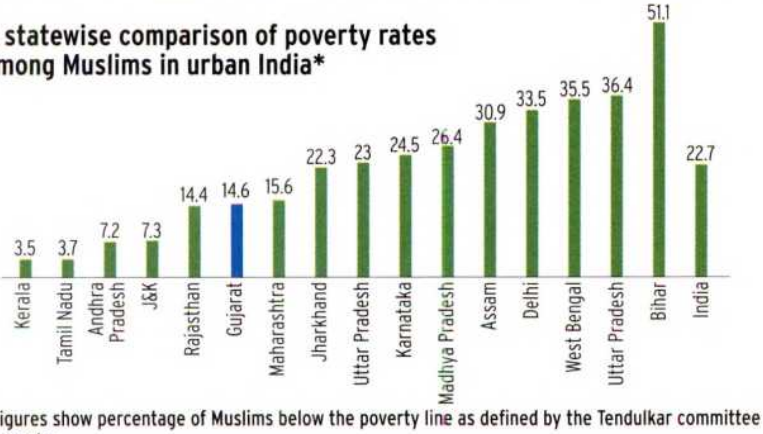
@anileshmahajan/@shwetapunj

Minority Report

A statewise comparison of poverty rates among Muslims in rural India*



A statewise comparison of poverty rates among Muslims in urban India*



*Figures show percentage of Muslims below the poverty line as defined by the Tendulkar committee in 2011/12

THE 9TH JACK DANIEL'S ANNUAL ROCK AWARDS

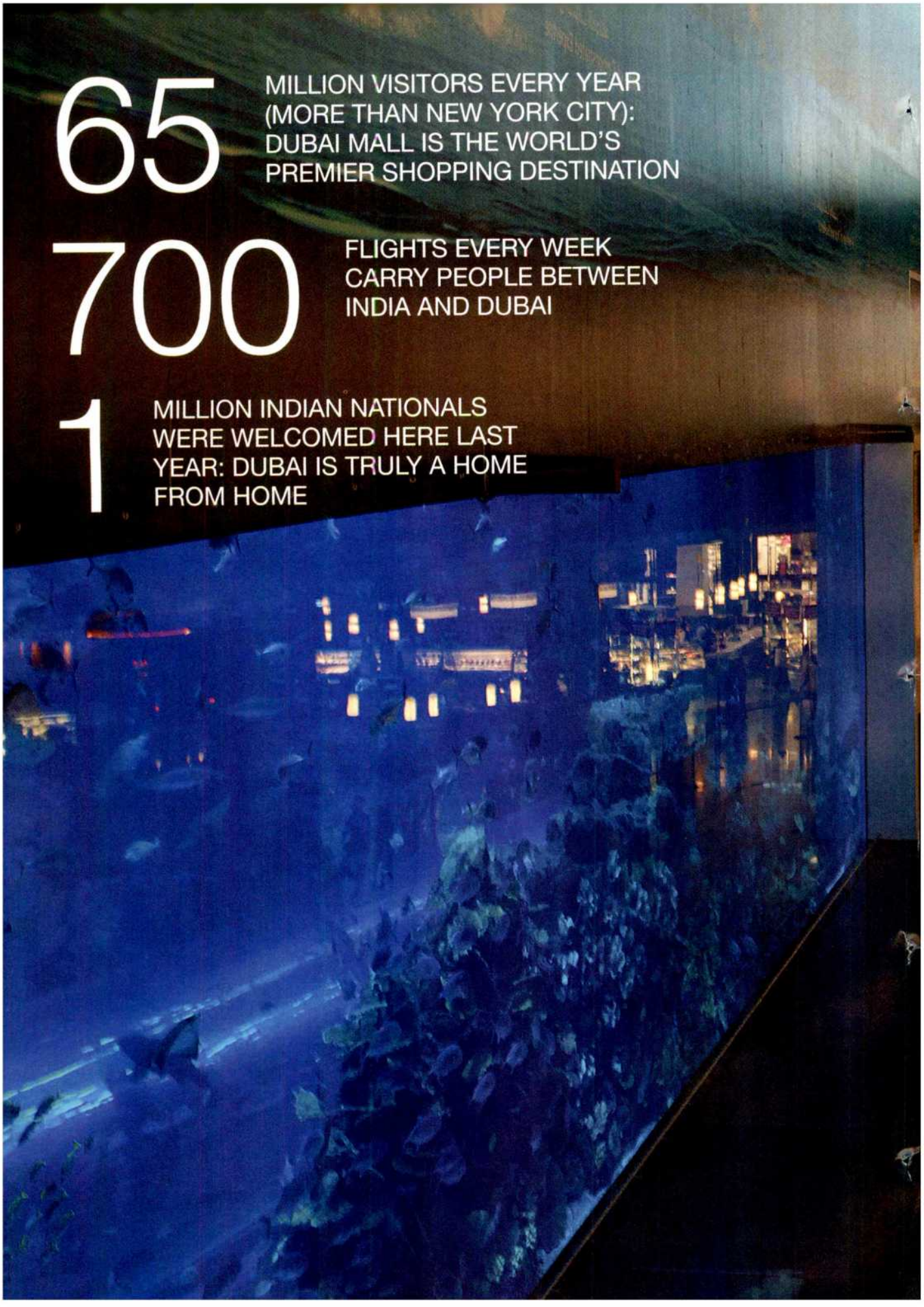
The stage is ready for the ultimate rock out.

Calling bands to register on facebook.com/jackdanielsindia
Last date of registration - 25th December 2013
Rock lovers please visit facebook.com/jackdanielsindia
To listen and vote for your favorite band from 10th january 2014

BUILD UP GIGS @ HARD ROCK CAFE
Pune - Nov 22nd, 2013
Bangalore - Dec 26th, 2013
New Delhi - Jan 16th, 2014

IN ASSOCIATION WITH
Rolling Stone

JACK DANIEL'S and OLD NO.7 are registered trademarks. ©2013 Jack Daniel's.


65
MILLION VISITORS EVERY YEAR (MORE THAN NEW YORK CITY): DUBAI MALL IS THE WORLD'S PREMIER SHOPPING DESTINATION
700
FLIGHTS EVERY WEEK CARRY PEOPLE BETWEEN INDIA AND DUBAI
1
MILLION INDIAN NATIONALS WERE WELCOMED HERE LAST YEAR: DUBAI IS TRULY A HOME FROM HOME

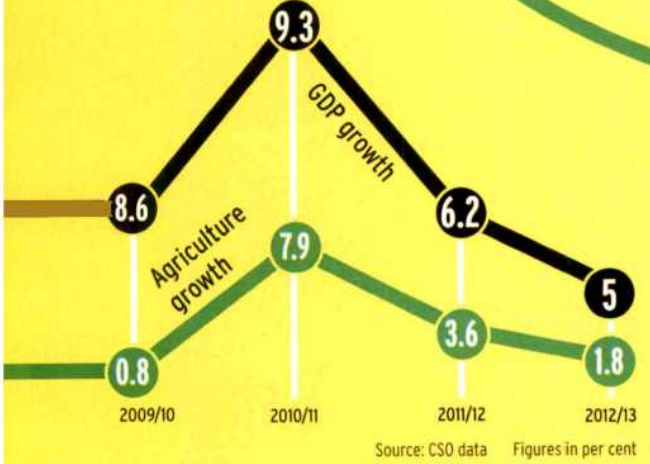
WHEN YOU RUN THE NUMBERS,
DUBAI MEANS BUSINESS.
SEE THE FILM AT VISION.AE/VIDEOS/NUMBERS
DUBAI

A CALL TO FARMS

Money does not grow on trees, but it can be minted in the fields.* Business Today *brings you a quartet that shows how it is done. By SHAMNI PANDE

Wobbling Economy

A good monsoon is expected to lift economic growth



Source: CSO data Figures in per cent

Green Shoots

Average agricultural GDP growth has been 3% a year over the past 32 years

Source: McKinsey-CII report

FARM GDP TO DOUBLE THIS YEAR

RAHOUL JAIN
Capricorn Food

Page 52

ANIL MITTAL
KRBL

Page 58

JANG BAHADUR SINGH SANGHA
SANGHA SEEDS

Page 48

ANIL AGRAWAL
Sanwaria Agro Oils

Page 54

So you thought agriculture was a poor man's business and the high-profile financial world of Dalal Street was the only place to make big bucks, right? Wrong. Actually, many Indian lords of the field are raking it in with simple commodities such as potatoes, maize, rice and soybean, with their success attracting big private equity deals at a time when the rest of the economy is in the grip of a slowdown.

Business Today has picked four agricultural barons to look at how they hit pay dirt. Take Cornell University-educated Jang Bahadur Singh Sangha, for example, who bet big on potato and maize when Punjab was growing more lucrative crops such as wheat and paddy. Today, the Sangha Group is the largest potato and maize producer in the country. Then there's Anil Mittal, Chairman and Managing Director of India's top rice exporter, KRBL, who has given India one of its best-known brands, India Gate, and clocked sales of ₹2,100 crore in basmati. Some like Rahoul Jain, Managing Director of Capricorn Food, have made their fortune in more unconventional crops. Jain is one of the country's top mango processors and has just received an infusion of ₹60 crore from private equity firm Quadria Capital. Little-known Sanwaria Agro Oils's Director Anil Agrawal is another agricultural baron who tapped his family's years of expertise in the soybean business to convert it into a ₹2,000-crore company.

How did *Business Today* pick these agricultural barons? Simple, these five commodities represent areas of core need. More importantly, they are also relatively free from frequent government intervention and these entrepreneurs have used innovative technology in businesses that for years saw little or no change at all. Today, agricultural commodities are more relevant than ever before as India Inc struggles with an economic slowdown and galloping

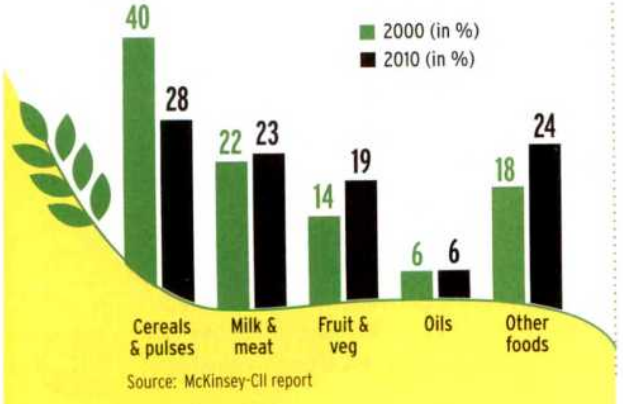
inflation. According to a McKinsey-CII study, the agricultural processing business has the potential to grow to ₹5.7 lakh crore in 2030 from ₹1.1 lakh crore in 2011. Food exports are expected to rise to ₹7.7 lakh crore in 2030 from ₹1.4 lakh crore in 2011. Mangoes, bananas, potatoes, soybean and poultry are expected to lead the rise.

Despite the potential, Indian agriculture is beset with problems. Vast tracts of agricultural land have been lost to non-agricultural uses because of rapid industrialisation and urbanisation. Moreover, declining per capita land availability and shrinking farm sizes are also responsible for the slow performance of agriculture. To make things worse, Indian agriculture is dependent on the vagaries of nature, and low mechanisation and power subsidies remain big worries. "The major issue is that governments do not recognise the farm-to-fork needs of the farmer. Most of the policies are aimed at assisting farmers at field, but major bottlenecks are there when it comes to marketing the produce," says Rakesh Kumar, who heads Nalanda Organic Vegetable Growers' Federation.

Still, agriculture remains the one ray of hope for the economy. According to CRISIL's State of the Nation report, agriculture is set to bounce back because of a bountiful monsoon. As the largest sector in the country employing 52 per cent of the population, it continues to weigh in on GDP growth. "Farm GDP growth could more than double from last year ... This will help check food prices and support rural consumption," it says.

Food for Thought

India's food expenditure has shifted towards high-value foods in the last decade, growing at an average of 8 per cent annually



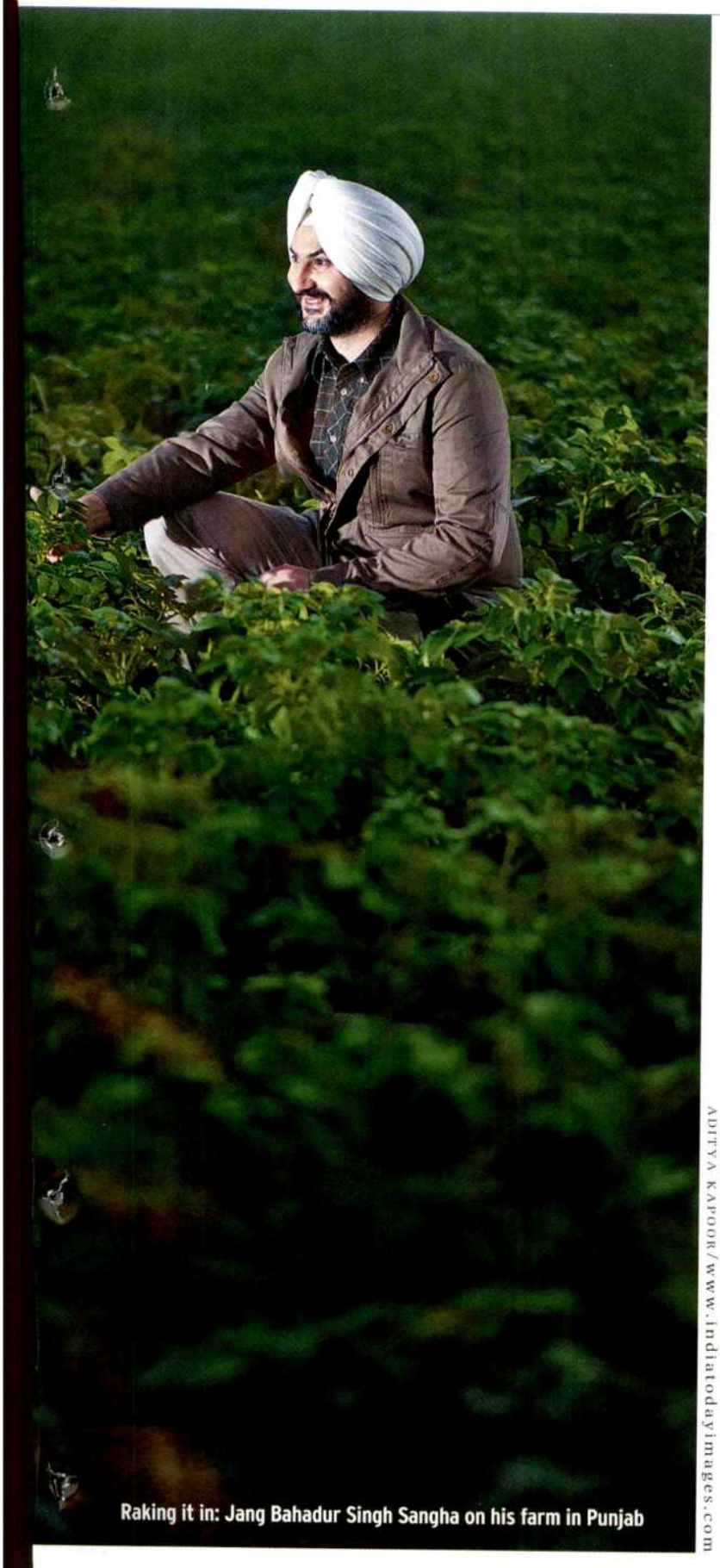
Source: McKinsey-CII report

The Spud Sultan

Jang Bahadur Singh Sangha has used technology to make the humble potato a money spinner. And he also rules maize. **By ANILESH S. MAHAJAN**

A whiff of Hugo Boss announces the arrival of Jang Bahadur Singh Sangha even before he steps into the room. At first glance, he looks every bit a corporate honcho with his sharp Armani suit, matching turban and exclusive Crockett & Jones shoes. You'd probably imagine him spending his days in some high-flying boardroom in Mumbai with giant Husains on the wall. You couldn't be more wrong. Sangha is a prosperous farmer in Punjab whose life revolves around growing potatoes and maize on acres and acres of farmland spread across the state.

Really? Potatoes and maize? Who would have thought anybody could make a fortune from these two simple agricultural commodities? But Sangha has – and a massive one at that. His family is the largest potato and maize producer in the country with more than 5,000 acres of land spread across Punjab. The Sanghas grow 45,000 tonnes of seed potatoes and about 7,500 tonnes of maize a year. How did Sangha manage to hit pay dirt with the humble potato at a time when many farmers in Punjab had turned their attention to more lucrative wheat and paddy? Experts say the roots of his success lie in his use of high technology. "Vegetable crops are always more lucrative, but risk-prone. Farmers such as the Sangha family relied on technology, and reaped the benefits

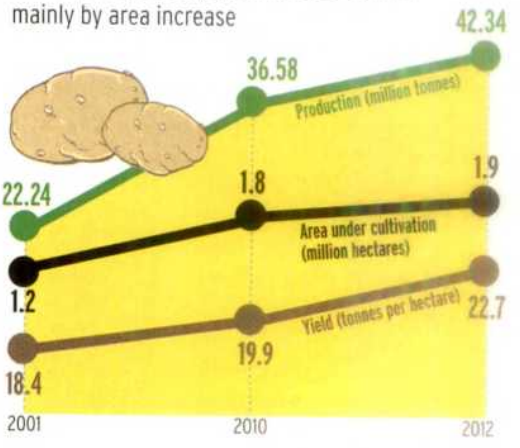


Raking it in: Jang Bahadur Singh Sangha on his farm in Punjab

ADITYA KAPOOR/www.indiatodayimages.com

Blooming Business

Potato production growth has been driven mainly by area increase



of this," says agricultural economist Sucha Singh Gill. "Those farmers who could take risk, had the wherewithal to set up cold storage and do crop management, succeeded and will continue to succeed."

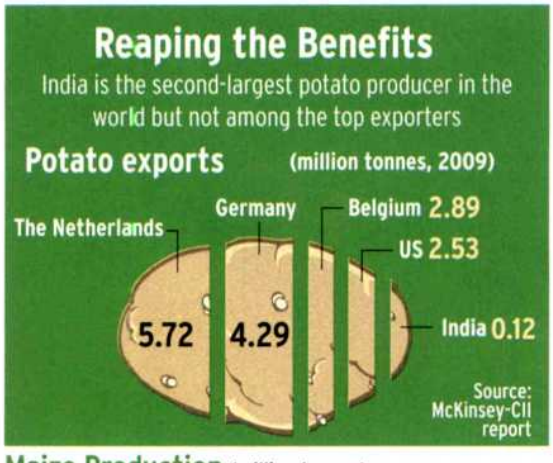
But how has Sangha managed to scale up? Most investing directly in the field struggle with small-sized farms and the Land Ceiling Act that does not allow one individual to amass land. "We have three types of association with other farmers: one, we take their land on rent, second,we help them grow these crops – with our knowledge, learnings, experience – thirdly we do contracts," he says.

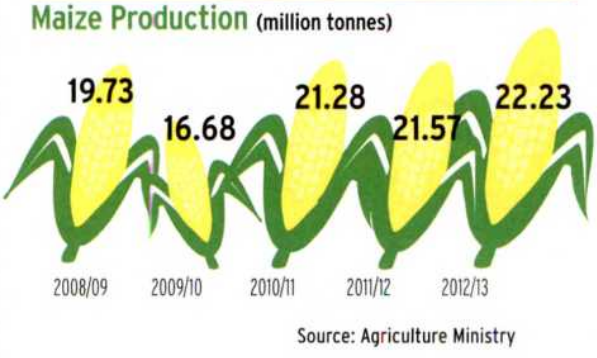
It was Sangha's father who first took up potato cultivation in the early 1960s, but Jang Bahadur is the one who took it to a different level. Today, he has succeeded in growing a family business into one of India's largest and most modern farming operations. Armed with a degree in plant physiology and pathology from Cornell University, he returned home to set up a modern tissue culture laboratory on his farm more than 20 years ago. He then changed traditional seed potato production by isolating disease-free clones of potato varieties and laid

India's total geographical area: **328.7 million hectares**
Net sown area: **140 million hectares**

the ground for rapid multiplication of seedlings. His decision to break away from the conventional method of seed multiplication helped raise annual production by 15 to 20 per cent.

More than two decades on, the Sanghas still invest in the biggest and the best technology. Drive to his farm at Quadianwali village on the outskirts of Jalandhar and you get a sense of the scale of his farming business: farmers on his land do not use run-of-the-mill tractors but stylish John Deere machines to plough the land. The Sangha family has a fleet of 175 such tractors. Jang Bahadur says one of the biggest problems in potato farming is extreme price fluctuations. "I am one of the biggest farmers in the country, but I am still in debt," he says. "In the last three years, diesel prices have increased, interest rates are high and cost of labour has increased."





To be sure, potatoes are the fifth-largest food crop in the world and India is the second-largest producer with around 40 million tonnes after China. Even so, the potential to grow is enormous. According to the McKinsey-CII report, only seven per cent of India's potato produce is processed and despite its global top spot, the country is not among the top exporters of this commodity. Maize, too, is tipped to be India's next big area of opportunity with demand expected to increase to 44.4 million tonnes by 2022 from 18.6 million tonnes in 2011, according to estimates by global consultancy KPMG. Experts see a pickup in demand because maize has multiple uses: it is used as cattle feed, for cooking and as an industrial raw material. "While demand is projected to increase by 8.2 per cent, the supply of maize increased by only 5.8 per cent, showing a critical shortfall in supply," says Angshuman Bhattacharya, Director, Strategy Group, KPMG India.

Not surprisingly, investor interest in this sector has been growing. French multinational Roquette, a top global starch producer, bought Indian major Riddhi Siddhi Gluco Biols. Global commodities major Cargill is setting up a corn milling plant in Karnataka with an initial investment of ₹400 crore. "Maize starch is a highly versatile industrial raw material and finds extensive use in the textile, food, pharmaceutical and paper industryy," says I.K. Sardana, Managing Director, Sukhjit Starch & Chemicals, one of the oldest players in the market.

Despite growing foreign interest in the sector, Sangha is a staunch opponent of foreign direct investment in retail. He believes it will not help farmers, but make them dependent on big retail giants. However, he is open to investment in farming and is in touch with several big agricultural giants who want to invest in Indian farms. "We haven't closed any deal as yet, but are analysing it," he says.

The Sanghas' empire is spread across Punjab from Jalandhar to Ludhiana and they also supply potato seeds to farmers across the country. But, for the moment, Sangha prefers spot options to corporate deals despite growing corporate involvement in agriculture. Domestic players such as ITC and global giants such as PepsiCo India, who use potatoes for wafers, are certainly reaching out to farmers for supplies. PepsiCo works with farmers across the country. "We assure farmers with a certain price and do give a premium for good produce," says Vivek Bharti, Executive Director, agriculture and exernal affairs, PepsiCo India.

For farmers such as Sangha, the market is clearly ripe for the picking.

RELIANCE
Mutual Fund

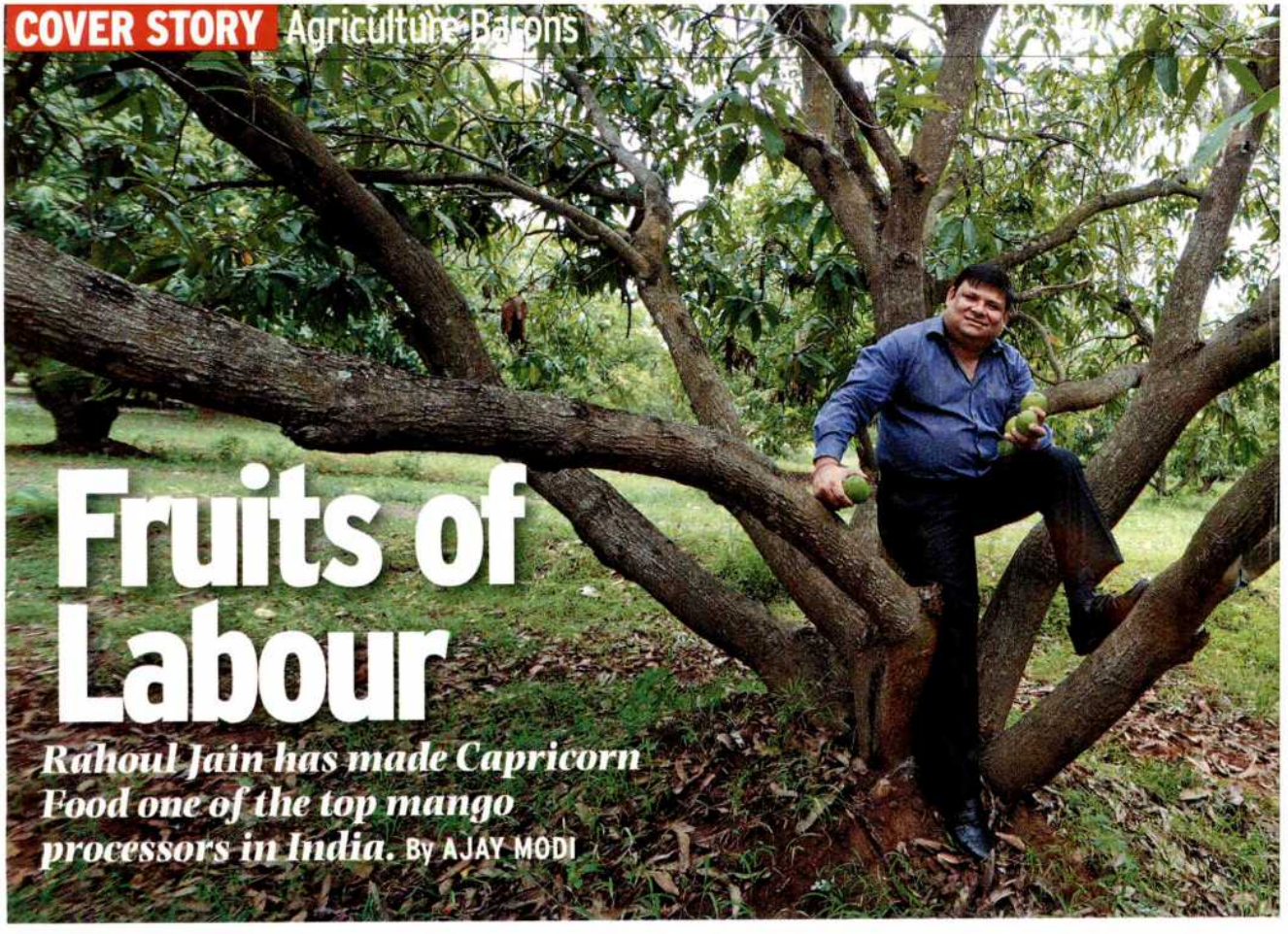
Get›Set›Invest
An Investor Education and Awareness Initiative by
Reliance Mutual Fund

DIVERSIFY YOUR WEALTH INTO LIQUID, EQUITY AND DEBT ASSET CLASS WITH MUTUAL FUNDS.

Investing in Mutual Funds allows you to distribute your wealth across various asset classes viz. Liquid, Equity and Debt.

Give a missed call on 022 33598553 | Visit www.reliancemutual.com

Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.



Fruits of Labour

Rahoul Jain has made Capricorn Food one of the top mango processors in India. By AJAY MODI

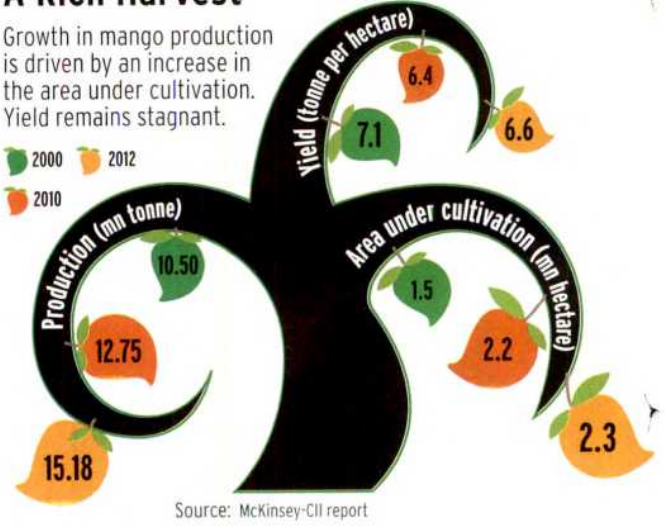
When life hands you lemons, make lemonade. And if life gives you a mango orchard, make mango pulp. That's what Rahoul Jain did when his family was struggling to manage a 100-acre mango orchard near Chennai in the late 1990s. Fourteen years ago, the young chemical engineer set up a mango processing unit; and today, his company, Capricorn Food Products India, is one of the top mango processors in the country. "It was only destiny that I ventured into the processing industry. We used to lease out our 100-acre orchard and there were frequent problems associated with leasing. I thought of setting up a processing unit for mangoes," says Jain, Managing Director of Chennai-based Capricorn Food.

Capricorn Food is far from being the oldest player in the business. But even Jain is amazed at its growth in such a short span. The company sells pulp, concentrates and frozen fruit, but mango pulp accounts for the largest chunk of its business. It has already managed to corner about 25 per cent share of the ₹700-crore domestic mango pulp market, which mostly caters to some of the biggest players in the food industry for fruit-based beverages, dairy products and confectionery. It supplies to a host of food giants such as PepsiCo, Coca-Cola, Unilever, Nestle and Parle Agro. An official at RJ Corp, PepsiCo's biggest bottler in India, says the company buys 95 per cent of its pulp requirements for its mango drink, Slice, from Capricorn Food.

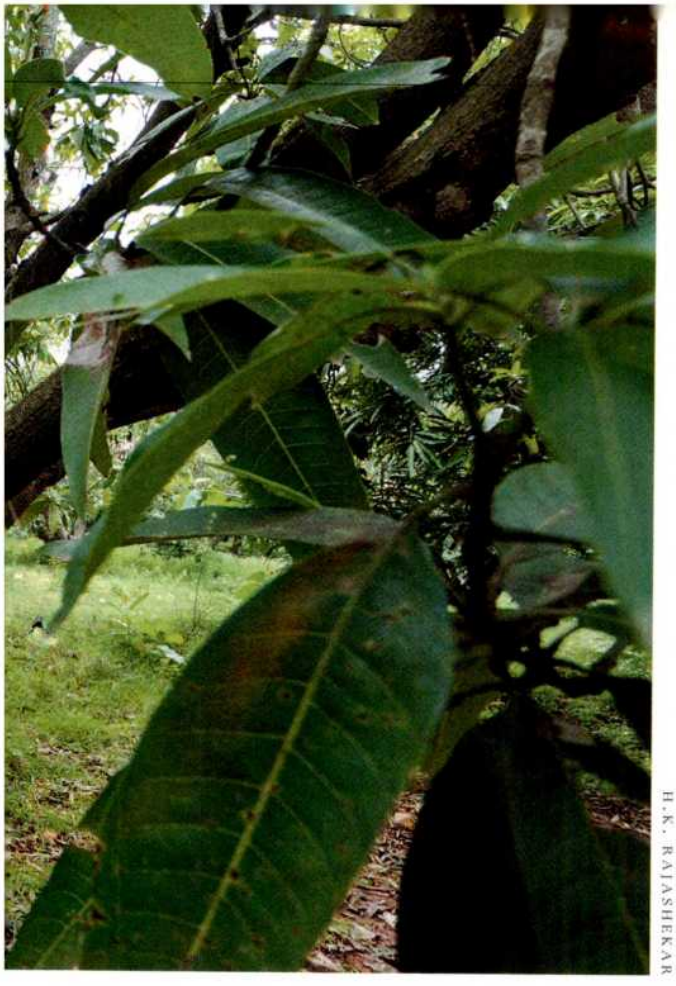
The company's top line reflects its stunning growth: set up in 1999 with an investment of ₹2.5 crore, today its annual revenue is about ₹300 crore, of which half comes from exports. Jain says the annual profit is ₹30-35 crore. Capricorn Food processes a staggering 200,000 tonnes of mangoes each year as well as another 50,000 tonnes of

A Rich Harvest

Growth in mango production is driven by an increase in the area under cultivation. Yield remains stagnant.



Source: McKinsey-CII report

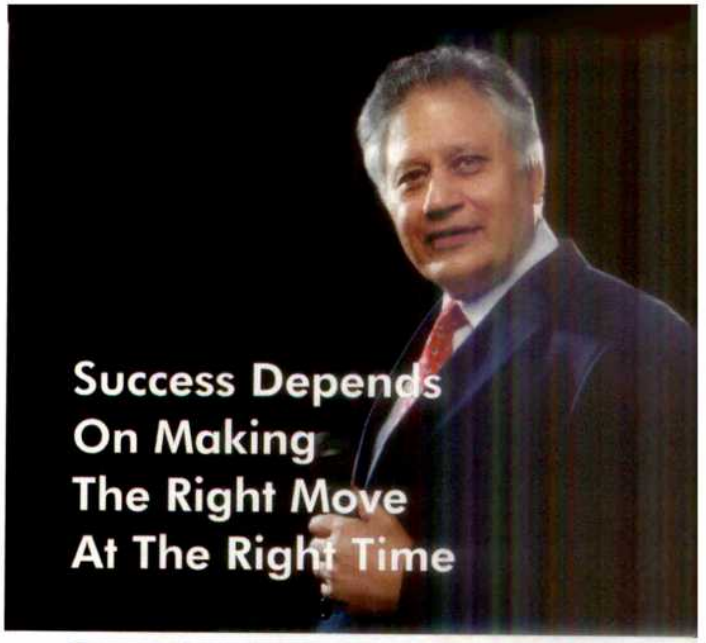


H.K. RAJASHEKAR

fruit such as guavas, papayas and watermelons. He doesn't plan to stop at that. "This is just the tip of the iceberg. We have a long way to go," says the 40-year-old Jain.

India is the world's biggest mango producer, accounting for about 45 per cent of global production. Most of the mangoes produced in India are consumed domestically and less than five per cent get processed. Over the years, exports, especially of mango pulp, have also grown steadily. According to the Agricultural and Processed Food Products Export Development Authority, India's mango pulp exports rose to ₹608 crore in 2012/13 from ₹297 crore in 2002/03. Fresh-mango exports grew to ₹265 crore from ₹84 crore during the same period.

The fact that mango remains one of the most popular flavours in India today has certainly helped. Some leading domestic players – Jain Irrigation, Capricorn Food, Mother Dairy, Foods and Inns – are betting on the expanding mango-based beverage market. Coca-Cola, a mango pulp buyer in India, has launched a programme with Jain Irrigation to enhance mango yields. Sunil Deshpande, Senior Vice-President at Jain Irrigation, says sales of mango-based beverages such as Maaza, Slice and Frooti are growing every year. A number of regional brands such as Mango Sip



3 day program — **HI-IMPACT LEADERSHIP**
Blueprint for Success

- Lead successfully, communicate effectively, manage professionally, based on values and ethics
- Create a culture of trust and accountability
- Increase productivity and achieve more

Investment (per participant)
₹ 39,500 + ST = ₹ 44,382*
₹ 43,500 + ST = ₹ 48,877

2 day program — **GAIN AND RETAIN CUSTOMERS**
Grow by Mastering Selling Skills

- Convert 'NOs' into 'YESes'
- Overcome resistance, build trust and close more sales
- Learn to become an effective negotiator
- Increase Sales by identifying buying motives & selling opportunities
- Learn the do's and don'ts of professional selling

Investment (per participant)
₹ 29,500 + ST = ₹ 33,146*
₹ 33,500 + ST = ₹ 37,641

2 day program — **PUBLIC SPEAKING & PRESENTATION SKILLS**
Speak with Power, Poise & Pizzazz

- Face the audience with confidence
- Overcome stage fright and make powerful speeches and presentations
- Deliver impromptu speeches and think on your feet
- Handle Q & A's effectively
- Inspire, influence and get results

Investment (per participant)
₹ 80,000 + ST = ₹ 89,888*
₹ 88,000 + ST = ₹ 98,877

PROGRAM SCHEDULE FOR 2013 - 2014

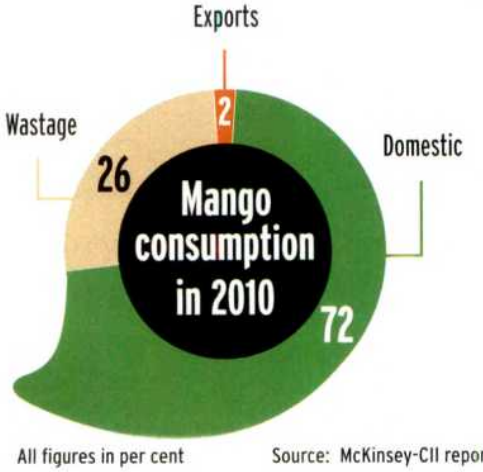
City	Hi-Impact Leadership	Master Selling Skills	Public Speaking & Presentation Skills
Mumbai	18, 19, 20 Dec '13	21 & 22 Dec '13	23 & 24 Dec '13
Chennai	29, 30, 31 Jan '14	1 & 2 Feb '14	3 & 4 Feb '14
Bengaluru	9, 10, 11 Apr '14	12 & 13 Apr '14	14 & 15 Apr '14
Delhi	7, 8, 9 May '14	10 & 11 May '14	12 & 13 May '14

***Early bird benefit:** Investment prior to 12 days of schedule.
Corporate Savings: Enroll 5 Participants, get 6th complimentary
Enroll 15 paid participants, get 4 complimentary.
Attend all 3 programs and **Develop Leadership Excellence**, investment (per participant) ₹ 1,55,000 (incl. taxes)

Register Now...
Phone: 011-26148804
Email: skmarketing@shivkhera.com | **Visit us at:** www.shivkhera.com
www.facebook.com/shivkhera www.twitter.com/theshivkhera

in western India and Maa in southern India are doing well. "Indians prefer mango-based drinks to apple or orange," he says.

Food processing companies such as Capricorn Food have been on the radar of investment firms. In April, Milestone Religare, which has since been acquired by PE firm Quadria Capital, invested ₹60 crore in the company. Investors are optimistic about the fruit business in India. Rajesh Singhal, Principal Managing



All figures in per cent Source: McKinsey-CII report

Partner, Quadria Capital, says the firm is excited to partner with Capricorn Food. "Capricorn is among the largest players in the processed fruits space in India, with a marquee client base in India and abroad. The processed fruit and vegetables space is expected to grow substantially over the next few years. And Capricorn, with its strong management team, is ideally placed to capitalise on this opportunity," he says.

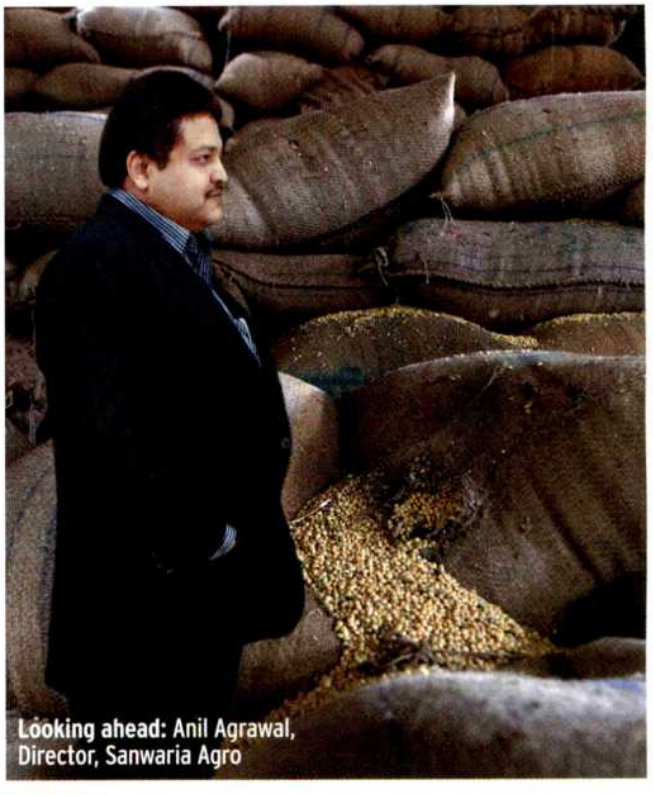
Capricorn Food may have started out with its own orchards, but has grown way beyond that today. And it plans to tap its core strengths to grow even further. Its five processing units are located near fruit-growing regions to minimise transit time and costs. The company is looking to foray into manufacturing of fruit in cups and canning and bottling of vegetables. It also plans to participate in mega food parks.

Capricorn will invest ₹50 crore to set up a 100-tonnes-a-day plant for tomato paste in Maharashtra which Jain says will be the biggest in the country. "We do not get a sizeable quantity from our orchards and we have to depend on the open market for mangoes. This exposes us to the volatilities of price and production," says Jain. "I do not have a role model but I aim to be one of the biggest food processors of the country. We are on the right track."

Full of Beans

Anil Agrawal's Sanwaria Agro has been ranked one of the fastest wealth creators between 2006 and 2011.

By AJAY MODI



Looking ahead: Anil Agrawal, Director, Sanwaria Agro

It's considered one of the world's healthiest foods. But, oddly enough, soybean is a relatively new cash crop in India and private companies only began processing the legume in the 1970s and 1980s after the country became increasingly dependent on edible oil imports. Today, the market has several big soybean processers, but only a handful have grown as quickly as Bhopal-based Sanwaria Agro Oils. The relatively little-known company has expanded into a business with revenues of ₹2,000 crore in just a little over two decades, with two-thirds of its revenue coming from processing soybean into oil, soymeal and de-oiled cakes.

Sanwaria Agro first came into the spotlight in December 2011 when brokerage and financial services firm Motilal Oswal ranked it alongside Reliance Industries and Kotak Mahindra Bank as one of the fastest wealth creators between 2006 and 2011. Not many were surprised. The promoters, the Agrawal

Fenner helps industries run seamlessly, so that you can add flavour to your life every day.

Working behind every industry, there's a silent performer – Fenner. With a wide range of mechanical power transmission and sealing products, Fenner is the driving force for every industry including textile, automobile, food, cement, coal, mining, steel, agriculture, paper, power and many more. Developed to enhance production efficiency and help save energy at the same time, Fenner products last longer and are trusted as the most reliable by industries across the globe.

No wonder customers choose 'Fenner First', which has made Fenner the undisputed market leader with a rich legacy of over five decades. So every time you sip a good cup of tea, do remember that Fenner has been working tirelessly behind the scenes for it.

Fenner

J.K. Fenner (India) Limited,
Khivraj Complex - II, 480, Anna Salai, Nandanam, Chennai - 600 035.
Phone: +91 44 2431 2450 - 57 **Fax:** +91 44 2432 0193
Email: ptd_mhq@jkfenner.com

Fenner 1st

www.jkfennerindia.com

Percentage of workforce employed in agriculture: 52

family, had years of expertise in procuring soybean and supplying it to companies such as ITC and SM Dyechem. Director Anil Agrawal's father, R.N. Agrawal, set up the company in 1991 when Ruchi Soya and Prestige Foods were already established players. Today, Sanwaria is ahead of industry leader Ruchi Soya on financial parameters such as return on capital employed, operating margins and earnings per share. "We could see that processors were minting money and that lured us to get into this business," says Anil Agrawal.

The family had been in commodity trading and milling of pulses since the 1950s. Its first unit at Itarsi in Madhya Pradesh became operational in 1993 and was followed by an IPO to fund expansion. Since then, Sanwaria Agro has grown on the back of a series of acquisitions of sick or closed units which it turned around successfully. "We have followed a brownfield expansion route through the acquisition of sick units since then," says Agrawal. "We are looking for acquisition opportunities where we can create value. We have been getting offers. We also want to acquire edible oil and wheat flour brands. We plan to invest ₹300 crore in the next couple of years and we are eyeing a top line of ₹5,000 crore."

The efforts have paid off. Today, Sanwaria Agro is one of the leading soybean processors and among the seven largest edible oil companies in India. What started as a company with the capacity to crush 200 tonnes of soybeans a day can now handle 3,250 tonnes a day, says Agarwal. That is not all. It posted a profit of ₹55 crore last year while exports account for 30 per cent of revenues.

The company has grown thanks to strategic planning. Realising that raw material procurement is key to the soybean industry, Sanwaria Agro has focused its energies on cost-effective sourcing. The company's four units are located about 80 km from each other to ensure efficient procurement of raw materials. The financial strength of soybean-processing companies is critical because raw material is available only during the October-February period. "The cost here is calculated backwards. So, if you save ₹5 procuring a quintal of soybean, you can be certa healthy margins on finished products such oil, mea cakes," says an industry expert.

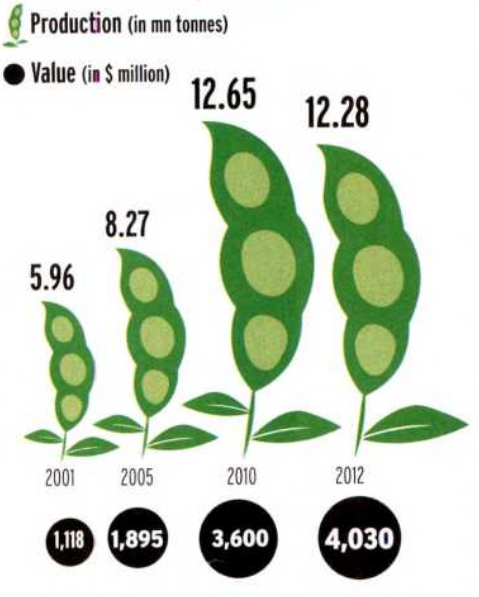
A Care Ratings report says Sanwaria Agro's bus has gained from the growing soy oil and soy food pro industry coupled with expansion in capacity. "It is a established player in the soy oil extraction industry an efficient procurement channel, warehousing cap ties and fairly good distribution network," said the r Agrawal says Sanwaria Agro is looking to tie up v large global player. The Indian edible oil industry ticularly soybean, has attracted foreign food majors as Cargill, Archer Daniels Midland Co and Bunge. industry will soon witness a phase of consolidatio those who are merely conv will have a tough time. We w do a strategic tie-up with a player in soybean value addi said Agrawal.

He adds that the future soybean processing industr pends on branding and value tion instead merely being a processor. As awareness abo health benefits of soy grows the country, Sanwaria Agro aiming to expand the sha branded products from 20 pe to 50 per cent of revenues next two years. The compar other plans on its plate: it is g into soy flour, soy chunks, ba rice and salt, while expandi edible oil portfolio by gettin sunflower, mustard and rice oil. It will also be setting up u Maharashtra and Rajastha cottonseed and mustard proc

The company has ma rangements with big retaile Reliance Fresh, Pantaloon and ITC Choupal Sagar for th of its branded products. It is talks with Walmart which presence near one of its units in Bhopal. "Margins a in the pure processing business. With the rising finance and operations, we need to focus on brandi getting into packaged products not limited to edib says Agrawal. "This segment ensures higher margi better visibility for the company."

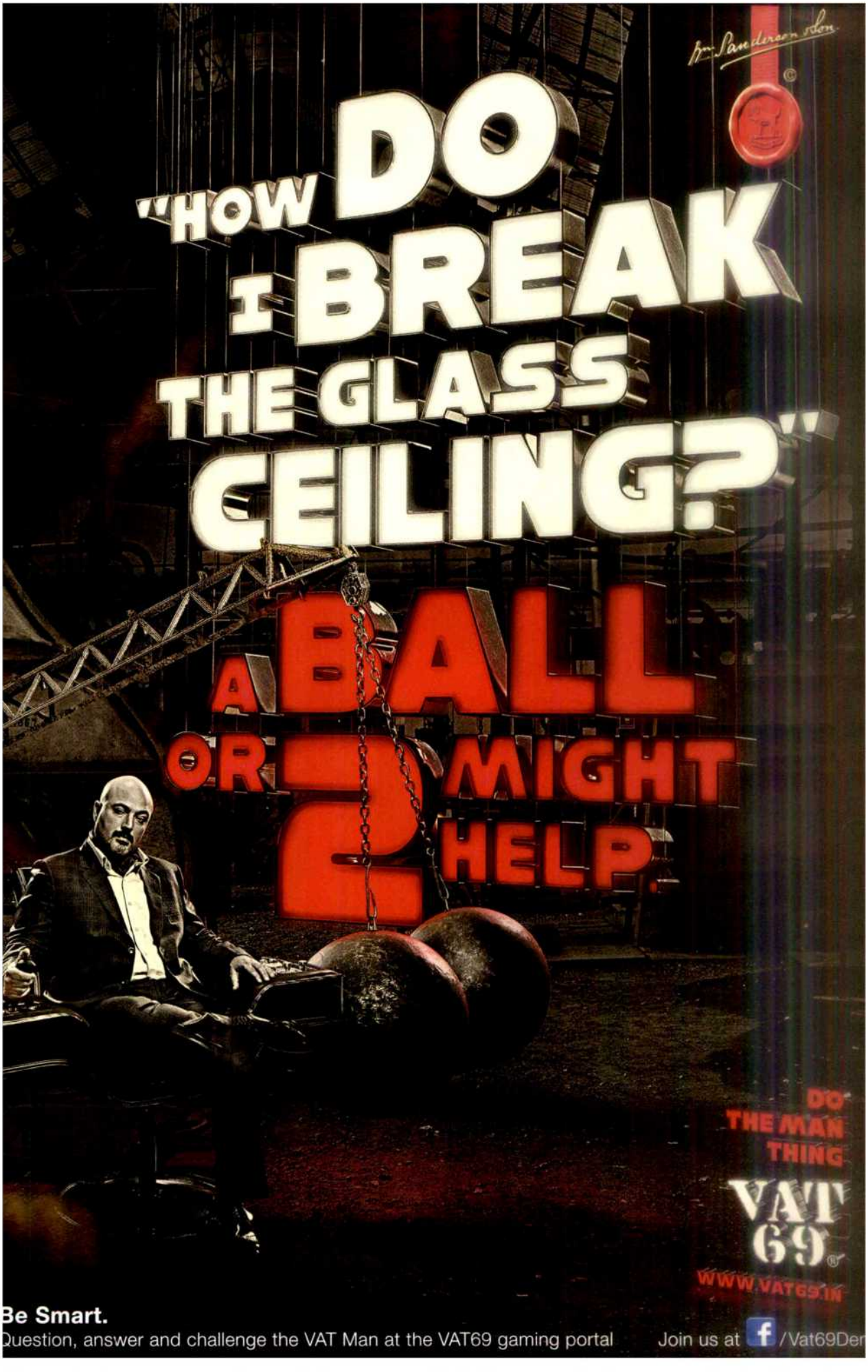
Healthy Profits

Soybean is one of the fastest growing crops in India

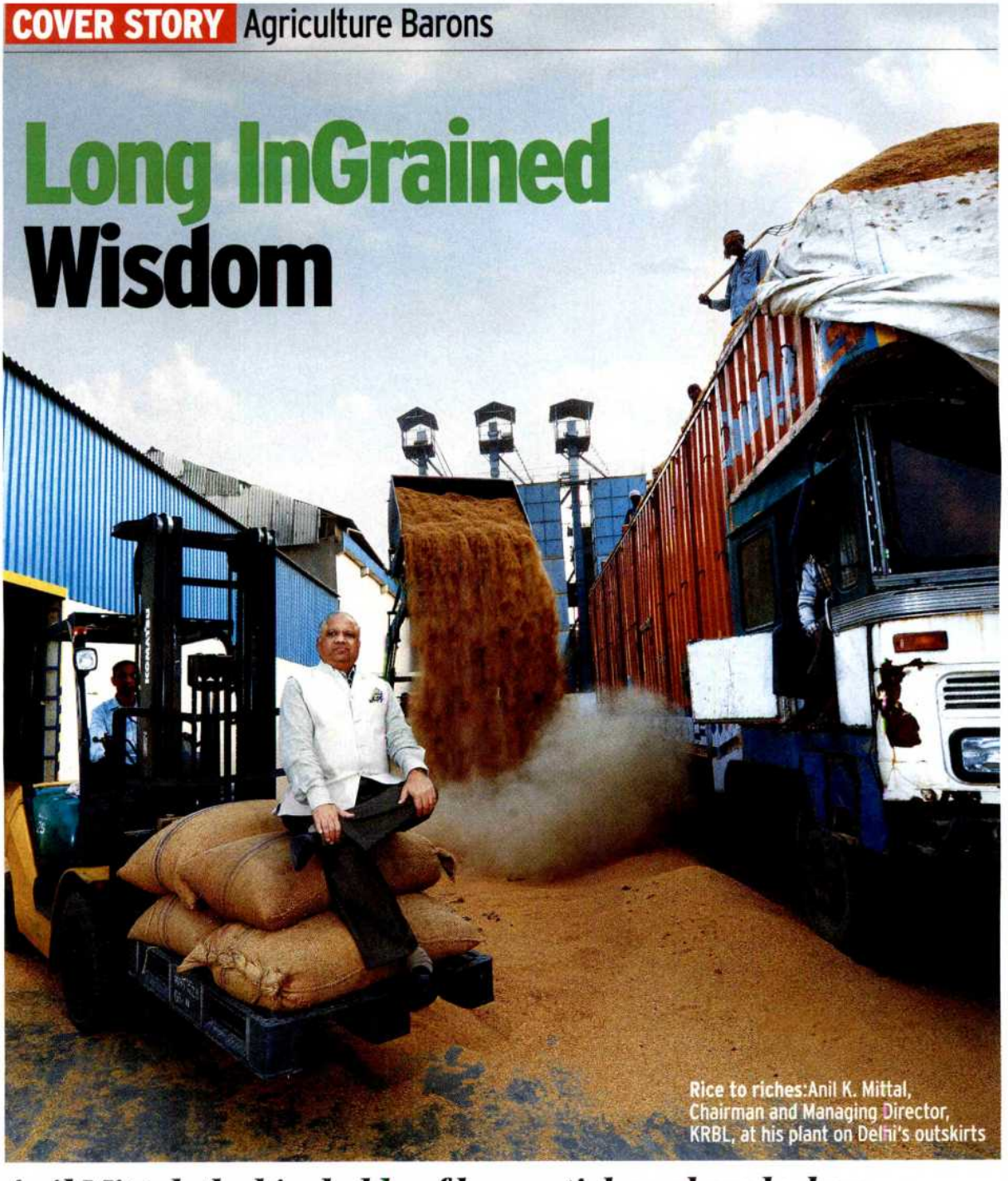


55% of soymeal produced in India is exported

Source: McKinsey-CII report


"HOW DO I BREAK THE GLASS CEILING?"
A BALL OR 2 MIGHT HELP.
DO THE MAN THING
VAT 69
WWW.VAT69.IN
Be Smart.
Question, answer and challenge the VAT Man at the VAT69 gaming portal
Join us at /Vat69Der

Long InGrained Wisdom



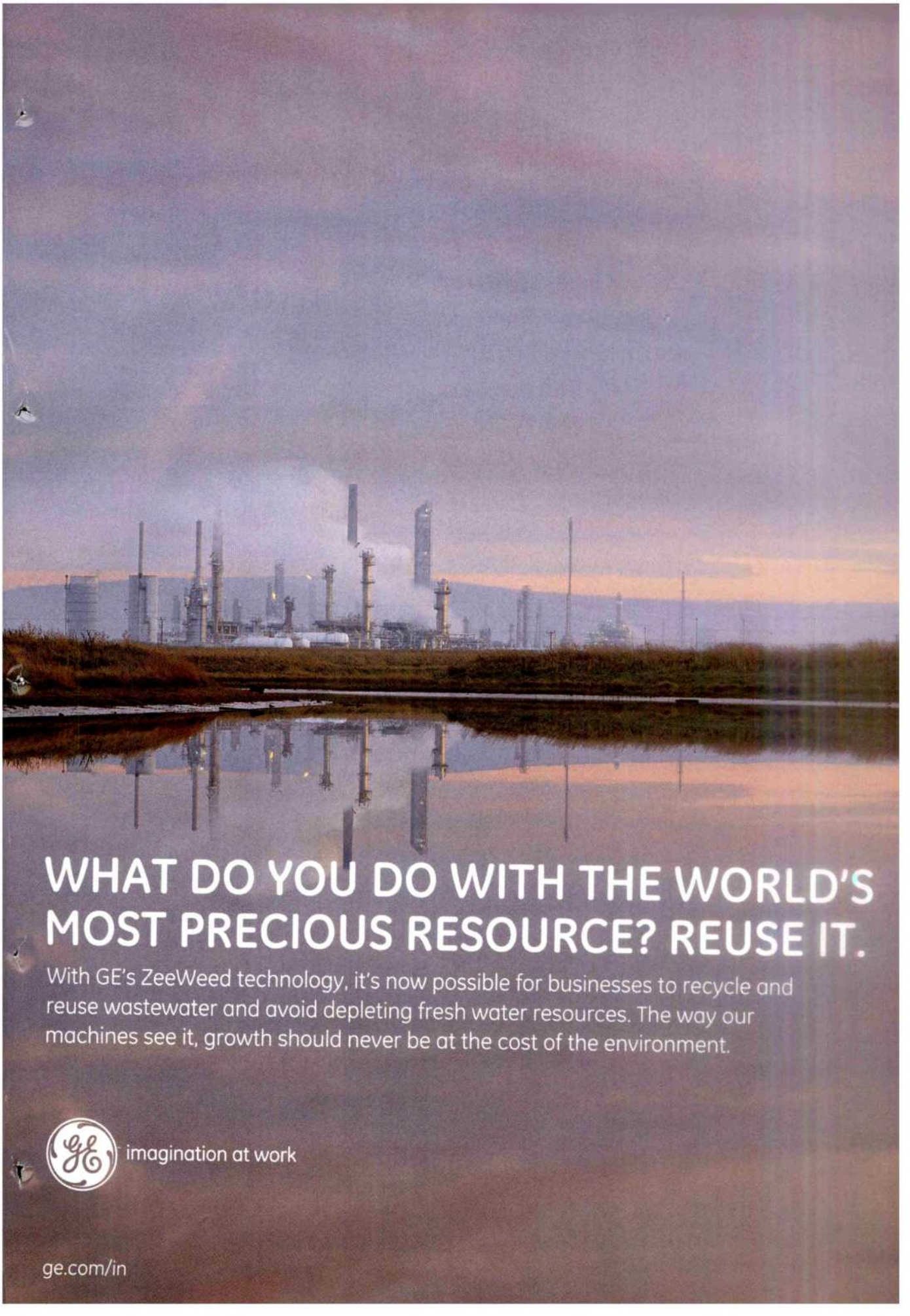
Rice to riches: Anil K. Mittal, Chairman and Managing Director, KRBL, at his plant on Delhi's outskirts

SHEKHAR GHOSH/www.indiatodayimages.com

Anil Mittal, the big daddy of basmati, has played a key role in transforming the trade. By AJAY MODI

Basmati rice is like wine, it only gets better with age, says Anil K. Mittal, Chairman and Managing Director of India's top rice exporter, KRBL, who has been in the rice industry for more than four decades. "In the basmati rice industry, the most important asset is experience in the commodity. It takes time to acquire. Old is gold here, unlike with most other commodities where the old gets discarded," says the Delhi-based miller and exporter.

Mittal has been in the rice business long enough to know. He used to supply rice to big exporters for years before he decided to start exporting the grain himself in 1987. His big break came when he supplied 500,000 tonnes of basmati to Zee Group Chairman Subhash


WHAT DO YOU DO WITH THE WORLD'S MOST PRECIOUS RESOURCE? REUSE IT.
With GE's ZeeWeed technology, it's now possible for businesses to recycle and reuse wastewater and avoid depleting fresh water resources. The way our machines see it, growth should never be at the cost of the environment.
imagination at work
ge.com/in

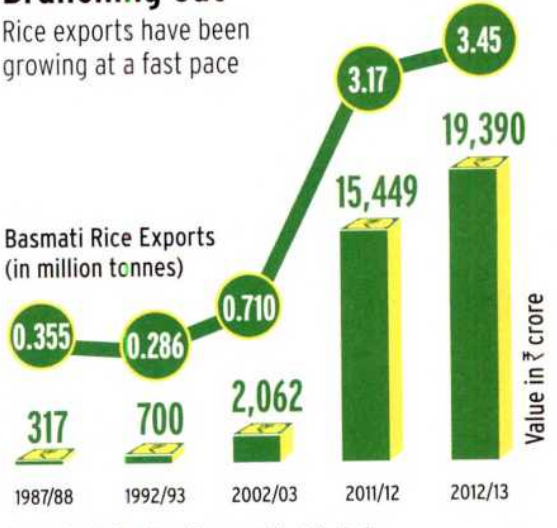
India wastes fruit, vegetables and grains **worth ₹440 billion** every year

Chandra's Rama Associates in the early 1980s. In 1987, Mittal went to Saudi Arabia to secure export orders directly – and there's been no looking back since. Mittal invested ₹25 lakh to set up a unit near Delhi with a capacity to process six tonnes an hour; by 1993, KRBL was exporting 35,000 tonnes and had a one-tenth share of basmati exports. Kohinoor Foods and LT Foods were established exporters at that time. KRBL went public in 1995 and raised ₹15 crore. "By 2000, we were the heroes of basmati exports," says Mittal.

Today, KRBL's India Gate brand is a leading export brand and its ₹2,100 crore turnover is almost twice that of Kohinoor Foods, another major basmati rice company. It reported a ₹150-crore profit in the last financial year. "I started my career in the early 1970s with trading in rice. Basmati used to be exported only through public sector undertaking STC (State Trading Corporation) until 1978 when the Janata government opened it to the private sector as well. We became suppliers to leading domestic exporters," says Mittal. "We realised soon the need to process and make our own rice. We set up our first plant in Ghaziabad which became operational in 1990. We were the first domestic company to import a fully automated rice milling plant."

Branching out

Rice exports have been growing at a fast pace



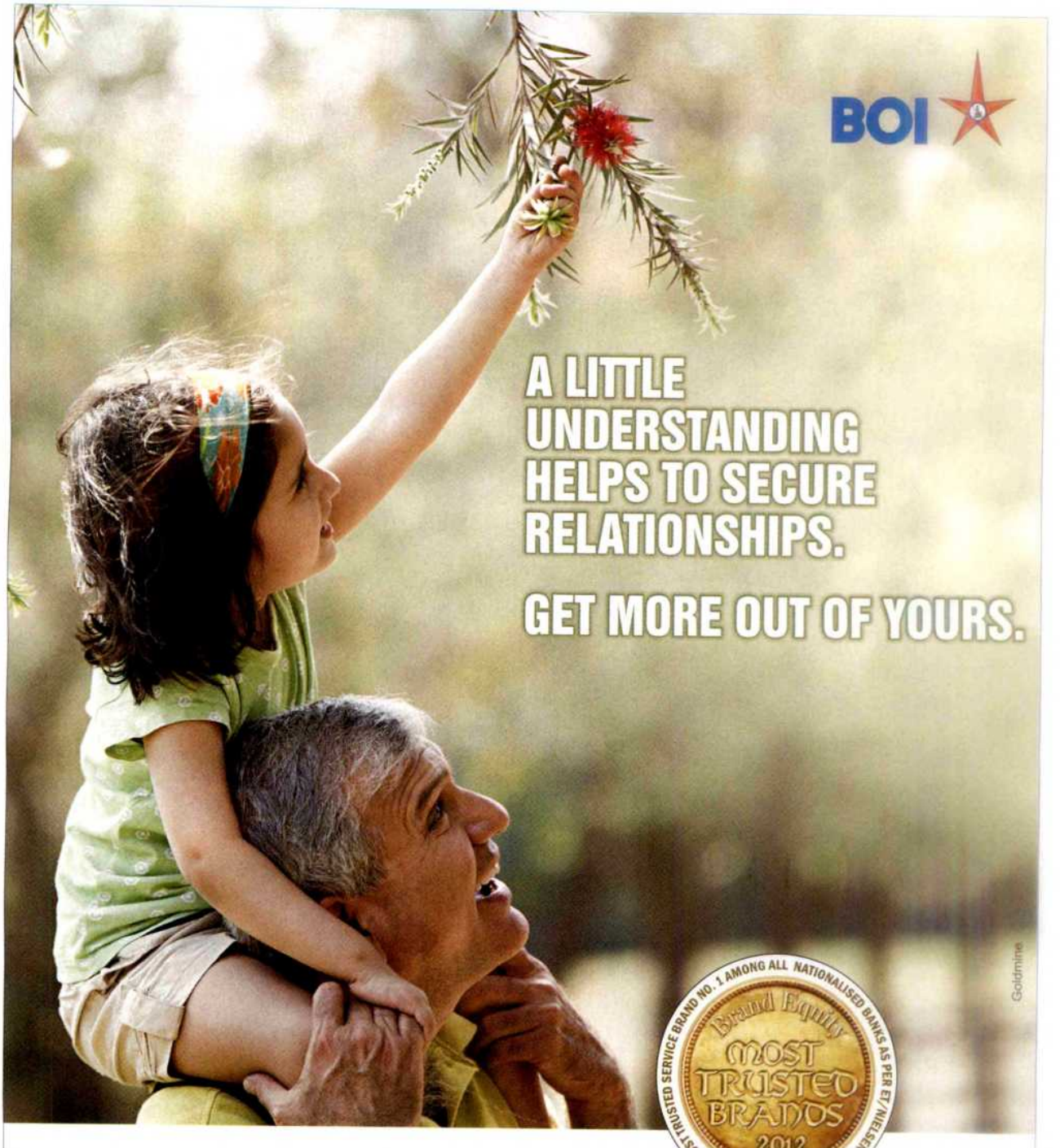
Source: Agricultural and Processed Food Products Export Development Authority (APEDA)

The dynamics of the trade are different today. The domestic basmati rice market is estimated at ₹10,000 crore, while exports account for a much larger ₹19,000 crore. Basmati makes up 75 per cent of the total packaged rice industry pegged at around ₹13,000 crore. The basmati rice market has seen big deals and private equity investment, especially after US-based McCormick snapped up Kohinoor's domestic marketing rights for $115 million in 2011. The potential of India's basmati industry has stoked international interest: a fund owned by Qatar Investment Authority picked up a 51 per cent stake in Delhi-based Bush Foods for about $100 million in April and Singapore-based agricultural processing company Olam International sold its basmati rice milling facility in Haryana to Spanish firm Ebro Foods for $14.5 million in March. Olam acquired the unit in 2008. Domestic private equity firm TVS Capital and International Finance Corp (IFC) announced a $25-million (about ₹124 crore) investment in Dunar Foods in March last year.

As a rice baron, Mittal has played a key role in the transformation of the trade. He dared to pick up two relatively unknown rice varieties on two occasions and made a killing from them. In 2003, KRBL became the first domestic rice company to receive foreign investment of ₹27 crore and in 2006, it raised $12 million through the biggest GDR issue of the Indian rice industry. Its venture into renewable energy is paying off too. It meets all its fuel needs from a 14-MW captive power plant that uses rice husk and earns close to ₹1 crore a year through carbon credits. The company also sells unrefined rice bran oil to edible oil refiners and plans to set up a 100-tonne refinery to sell rice bran oil under its own brand. Several international companies such as Olam have approached Mittal for an equity sale in the past.

It's certainly a long way since two brothers, Khushi Ram and Behari Lal, started the company in Lyallpur, now in Pakistan, in 1889. KRBL, an acronym based on their names, began as a diversified company that owned 10 cotton spinning mills and two rice mills. But Mittal's family migrated to Delhi after the Partition and became trade agents in Naya Bazar, Delhi's famous grocery market. And by the 1970s, the company was completely focused on rice. Today, Mittal may be one of the country's biggest players in the rice business, but ironically, he only gets to eat rice twice a week. "I am diabetic," he says. ◆

@ajaymodibt @anileshmahajan @shamnipande



It is this simple philosophy that has helped us to provide banking services, which focus primarily on the care and concern for our customers and patrons, for 107 years now. Because, at Bank of India, we invest heavily in relationships, above all else. And we believe that it's only when we understand your needs, we will be able to provide you with products and services that help you to get more out of your relationships.

Bank of India

Relationship beyond banking

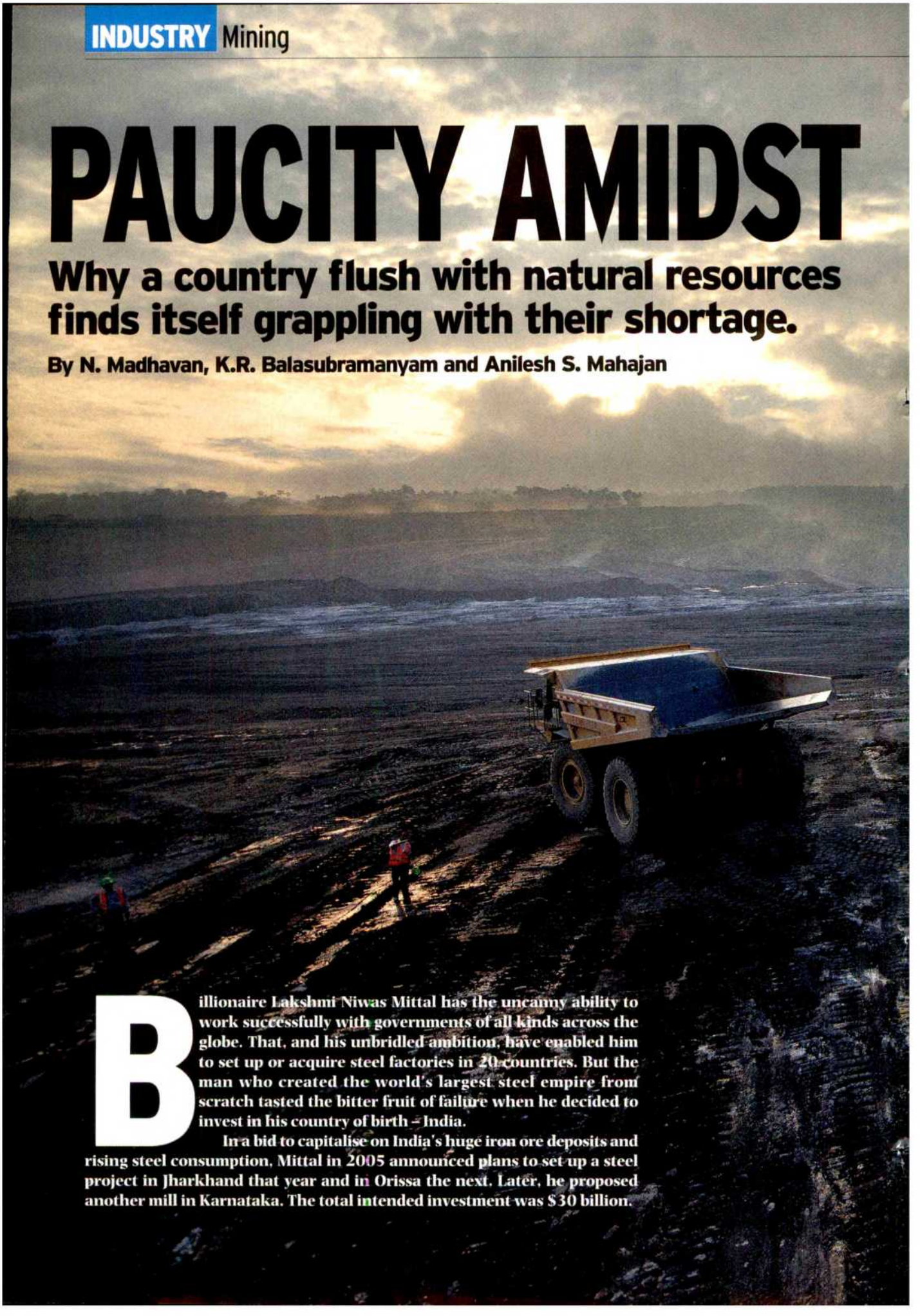
Retail | Rural | MSME | Corporate | NRI | Cards

Toll Free 1800 220 229 | www.bankofindia.com | To know your account balance for free give us a missed call on 022 33598548 from your registered mobile number

PAUCITY AMIDST

Why a country flush with natural resources finds itself grappling with their shortage.

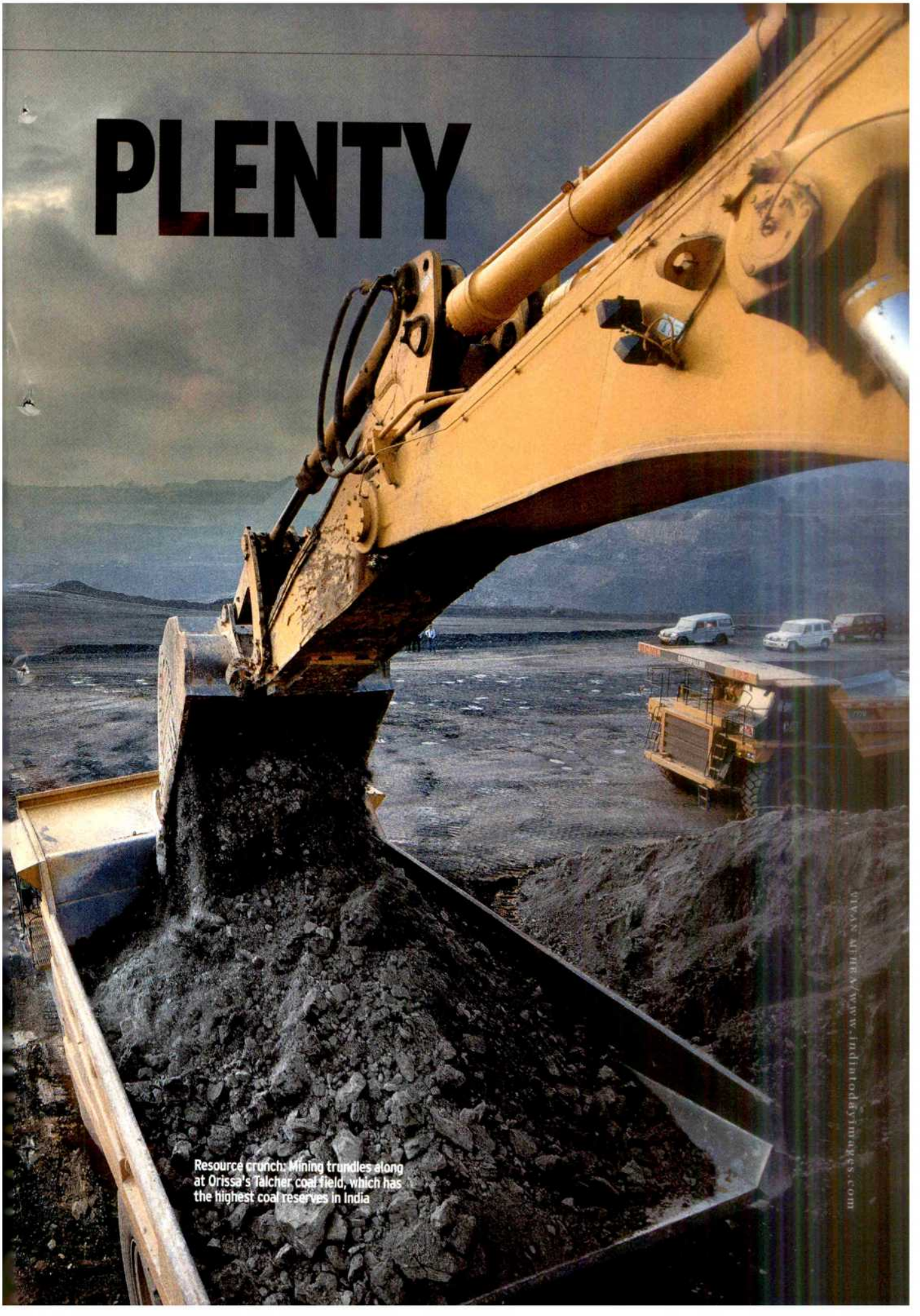
By N. Madhavan, K.R. Balasubramanyam and Anilesh S. Mahajan



Billionaire Lakshmi Niwas Mittal has the uncanny ability to work successfully with governments of all kinds across the globe. That, and his unbridled ambition, have enabled him to set up or acquire steel factories in 20 countries. But the man who created the world's largest steel empire from scratch tasted the bitter fruit of failure when he decided to invest in his country of birth – India.

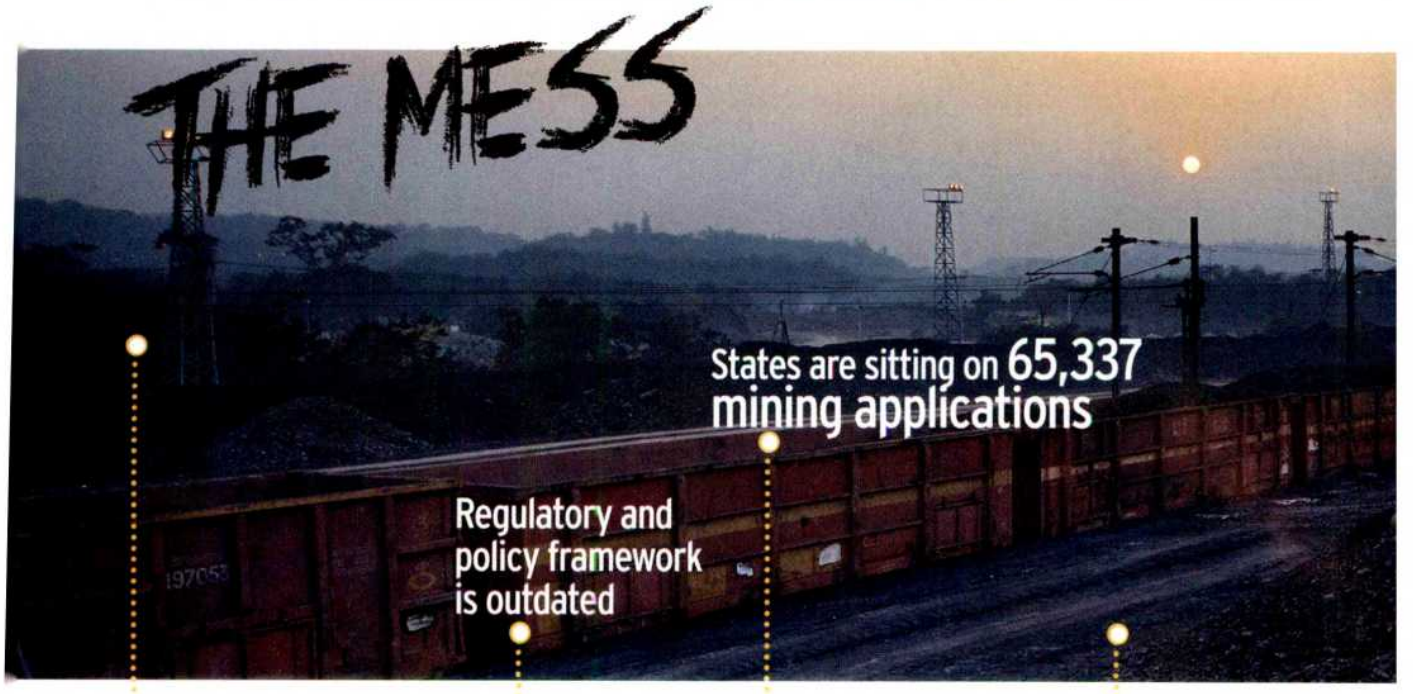
In a bid to capitalise on India's huge iron ore deposits and rising steel consumption, Mittal in 2005 announced plans to set-up a steel project in Jharkhand that year and in Orissa the next. Later, he proposed another mill in Karnataka. The total intended investment was $30 billion.

PLENTY



Resource crunch: Mining trundles along at Orissa's Talcher coal field, which has the highest coal reserves in India

VIVAN SHARMA/www.indiatodayimages.com



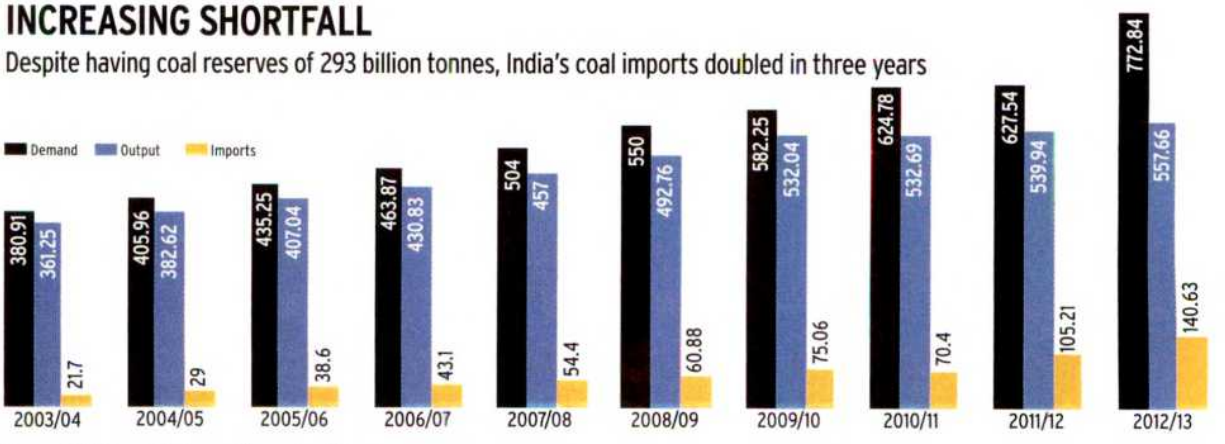
In July this year, ArcelorMittal, Mittal's company, scrapped its $12-billion mill in Orissa after having failed to acquire land and iron ore mines for seven years. Its other projects have not yet been called off, but are also facing delays. Mittal's decision came just a day after South Korean steelmaker Posco, the world's fifth-largest, abandoned a $5.3-billion project in Karnataka for similar reasons.

The two developments highlight how the Indian mining environment is scaring investors away. So, what is going wrong?

Mining has faced multiple problems in recent years. There have been problems in acquiring land for new mines and delays in government approvals. Increased judicial scrutiny following corruption scandals in the allotment of mining blocks and environmental degradation caused by illegal mining have made matters worse. The Comptroller and Auditor General of India, the country's top auditor, said in a report last year that a flawed coal mine allocation process resulted in a notional loss of ₹1.86 trillion (one trillion equals 100,000 crore) to the exchequer. Following the report, the Central Bureau of

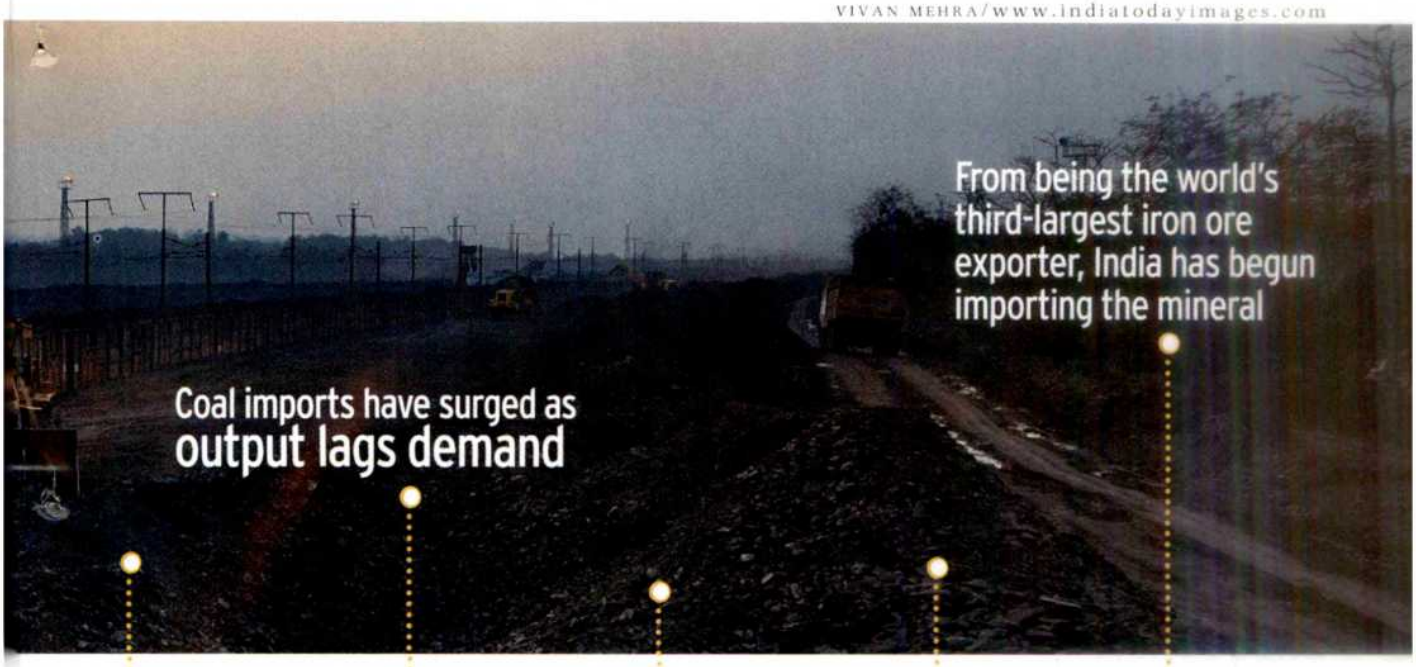
INCREASING SHORTFALL

Despite having coal reserves of 293 billion tonnes, India's coal imports doubled in three years



Source: Ministry of Coal Figures in million tonnes

VIVAN MEHRA/www.indiatodayimages.com



Investigation filed cases against several companies including leading ones such as Jindal Steel & Power and Hindalco, as well as a few company executives and former government officials. The companies and executives have all denied any wrongdoing.

No wonder the mining sector shrank 0.6 per cent in both 2011/12 and 2012/13 – at a time when the overall economy was growing. In fact, had the government managed the mining sector better, one of the biggest problems it is grappling with today – the large current account deficit – may not have arisen. How? India imported coal worth over $15 billion in 2012/13 while its iron ore exports were negligible compared with about $7 billion a couple of years ago. Had there been no coal imports and had iron ore exports continued, the current account gap of $88.2 billion in 2012/13 (4.8 per cent of gross domestic product) would have been a relatively comfortable $66.2 billion (3.6 per cent). That's not all. "Developing our natural resources and the resultant growth of manufacturing can generate enough funds for infrastructure, alleviate poverty and create employment for at least five

A simple and transparent policy for natural resources, auctioned through a revenue-sharing model, can be a win-win situation for the government, industry and the people

Anil Agarwal/ Chairman/ Vedanta group

RACHIT GOSWAMI

GO GOA GONE

India's standing as the third-largest exporter of iron ore in the world took a hit after mining was halted in Goa in October 2012

Codli, an iron ore mine of the Vedanta group in Goa

YEAR	DEMAND	PRODUCTION	EXPORTS	SURPLUS	IMPORTS
2008/09	87.41	212.96	105.87	19.68	nil
2009/10	90.62	218.64	117.37	10.65	nil
2010/11	106.16	208	97.66	4.18	nil
2011/12	107.07	167.20	61.70	nil	0.97
2012/13	**120.48**	**135.80**	**18.37**	**nil**	**3.05**

Source: Indian Bureau of Mines/FIMI Figures in million tonnes

crore people," says Anil Agarwal, Chairman, Vedanta Group, who is also facing problems investing in the sector.

The Dichotomy

India is rich in natural resources. The country produces as many as 87 minerals including fuel, metallic, non-metallic, and atomic minerals. Among the minerals, reserves of coal, iron ore and bauxite are vast and will last decades. India's coal reserves of 293 billion tonnes are the fourth largest in the world and account for nearly 10 per cent of global deposits. Bauxite reserves of 3.5 billion tonnes and iron ore deposits of 28.5 billion tonnes are the fifth and seventh largest, respectively, in the world. But is India taking advantage of this geological windfall?

The answer is a resounding no. Take coal. Sixty years ago, India and China had comparable coal reserves and output. China's annual output now exceeds three billion tonnes while India extracted 558 million tonnes of the dry fuel in 2012/13. This fell well short of the 772.84 million tonnes the country needed that year (see *Increasing Shortfall*). As a result, India had to import 140.63 million tonnes. Still, supply fell 59 million tonnes short of demand. Only consumers in coastal areas found it feasible to import as high inland transportation costs made it unaffordable for others. "When we have coal reserves that will last 200 years why are we not questioning the need for imports," says V. Raghuraman, former principal energy analyst at the Confederation of Indian Industry (CII).

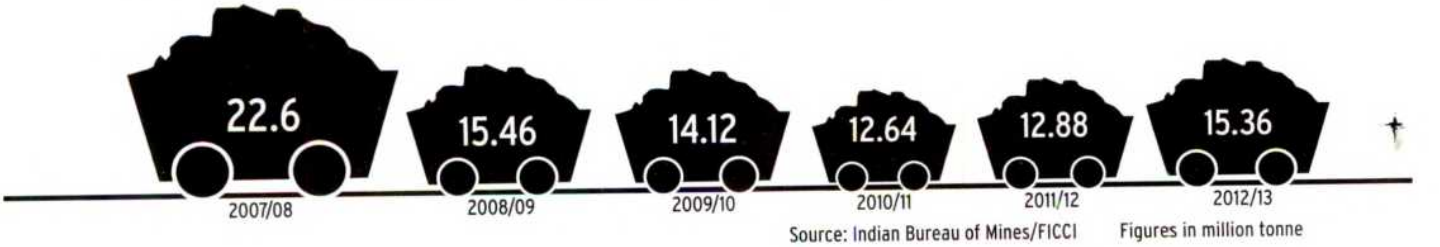
Inevitably, coal shortage is hurting power generation. More than half the country's electricity generation is coal based, as will be 85 per cent of the new capacity coming up by 2016/17. The country lost 15.1 billion units of electricity due to non-availability of coal in 2012/13, contributing to a peak power deficit of 11 per cent and hurting economic activity. "We are importing coal to take care of the immediate fuel requirements," says Arup Roy Choudhury, Chairman of state-run NTPC, the country's largest power producer. "But this cannot be a long-term

BT RETRO

In its August 7, 2011, issue, *BT* looked at how a coal crunch was hurting the power sector. The mining sector has turned for the worse since then.

SHRINKING SUPPLY

India's bauxite production has fallen in recent years, hurting aluminium output



Source: Indian Bureau of Mines/FICCI Figures in million tonne

INDIA'S No.1

29 years of enlightening lives

Here, top companies will compete to choose you. So, you'll get to choose the best among them.

Over 175 top companies, including TCS, Accenture, Google, IBM, Oracle, Microsoft, Wipro, SAP, Bosch, Nissan, Caterpillar, L&T, ITC, John Deere, Godrej, Reliance, Ernst & Young, Bank of America, ICICI and HDFC offered SRMites huge salaries of up to ₹30 lakhs during campus placements. Moreover, we have an excellent track record for placing hundreds of SRMites as paid interns for projects.

So, come be an SRMite. And fly.

ENGINEERING | MEDICINE & HEALTH SCIENCES
MANAGEMENT | SCIENCE & HUMANITIES

For details visit www.srmuniv.ac.in

Campus: Chennai | Trichy | Delhi

SRM UNIVERSITY
(Under section 3 of UGC Act 1956)

Information Centre: Ph: 44 - 2745 5510, 4743 7500
The Director (Admissions), SRM University, SRM Nagar, Kattankulathur - 603 203, Kancheepuram District, Tamil Nadu. Ph: 44 - 2741 7400 Delhi NCR Campus: Delhi Meerut Road, Modi Nagar, Ghaziabad, Uttar Pradesh - 201 204. Ph: 1232 - 234 300 / 301 to 306
Ramapuram Campus: Bharathi Salai, Ramapuram, Chennai - 600 089. Ph: 44 - 3060 3042
Head Office: No. 1, 100 Feet Road, Vadapalani, Chennai - 600 026. Ph: 44 - 4396 9999

For previous stories on the mining sector, go to
www.businesstoday.in/archives-dec2213

NOT ENOUGH

India accounts for just 0.5 per cent of the $10.7 billion* global spending on mineral exploration

option as global prices of coal are increasing and will add to the cost of power generation."

Iron ore mining is buried in even bigger problems. Until a couple of years ago, India was the world's third-largest exporter of the mineral, earning $7 billion from it annually. Exports surged from 62.57 million tonnes in 2003/04 to 117.37 million tonnes in 2009/10. The sector expanded rapidly to meet insatiable demand from China in the run-up to the 2008 Beijing Olympics. Indeed, the industry threw caution to the winds. A politician-industry-bureaucracy nexus led to mining leases being allotted in violation of norms. Also, in the absence of an oversight body, illegal mining became rampant and environmental considerations were disregarded. This, in turn, led the Supreme Court to intervene. The court banned iron ore mining in Karnataka in July 2011 and in Goa in October 2012.

The ban led to a fall in iron ore output to 135.8 million tonnes in 2012/13 from 167.2 million tonnes in the previous financial year, and exports crashed to 18.37 million tonnes (see *Go Goa Gone*). Iron ore imports, inconceivable until recently, are now a reality. They touched three million tonnes in 2012/13 and are likely to exceed five million tonnes this fiscal year. In April 2013, the Supreme Court ordered the cancellation of 51 mining leases in Karnataka. It also allowed 57 mines to resume production but with an annual cap of 30 million tonnes. All 90 mines in Goa remain shut and are unlikely to reopen at least until early next year.

The impact of a drop in iron ore production on local steel producers would have been higher but for a slowdown in the steel industry. "Had the steel industry grown at 10 per cent as against the current three per cent, it would have been in a real crisis," says A.S. Firoz, Chief Economist at the Ministry of Steel's Economic Research Unit.

Bauxite mining is also caught up in land acquisition and environmental issues. Production of this raw material, used in making aluminium, has fallen since 2007/08. (See *Shrinking Supply*). As a result, aluminium output is not enough to meet demand. The country produced 1.72 million tonnes aluminium in 2012/13, lower than demand of 1.97 million and the target of 2.06 million tonnes. "No new bauxite mine has come up in the last 25 years," says Sushil Kumar Roongta, Managing Director, Vedanta Aluminium. The company has been trying to expand its Lanjigarh refinery in Orissa but suffered a setback recently when, at village council meetings endorsed by the Supreme Court, tribals in Niyamgiri hills rejected bauxite mining in their region for the project.

Source: Ernst & Young
* Global budget in 2010

The way forward

Industry players and analysts say a multi-fold solution is required to revive the mining sector. Some executives suggest the government should auction mines rather than allot them to private companies. This, they say, will boost mineral output and minimise the scope for corruption. "A simple and transparent policy for natural resources, auctioned through a revenue-sharing model, can be a win-win situation for the government, the industry and the people," says Vedanta's Agarwal.

The government should also replace outdated mining laws, says Anjani Agarwal, Partner and National Leader for metals and mining at consultancy Ernst & Young (E&Y). The new laws should encourage commercial mining, address environment and social issues, share benefits of mining equitably and bring in technology to modernise the sector, he says.

The Mines and Minerals (Development and Regulation) Bill 2011, which will replace a 1957 law, addresses some of these issues but the Lok Sabha has yet to pass it. Without the backing of the law, the National Mineral Policy 2008, which tried to address a few mining issues, remains ineffective.

The legal ambiguities have delayed approvals and mining leases. As many as 65,337 mining applications are pending with states, apart from those with the Centre. The central government says the decision on granting mining permits lies with state governments while the states blame a policy paralysis at the Centre for their indecision. Even in cases where mining leases have been allotted years ago, they are now being questioned. In November, the coal

Advertorial

Pay Less Tax

There are several ways to save and invest in financial instruments that provide you tax saving options and reduce your income tax liability

If there is one thing that every taxpayer will agree on, it is that they all will like to pay less income tax. No matter how much you earn or what your personal circumstances, you work hard for your money and you want to hold on to as much of it as you can. We are fortunate to have access to a variety of means to reduce our income tax burden. All you need to know is where to look for that tax saving option. The first step to income tax planning is to understand the income slab one falls under and the applicable tax rate. In recent years, the Government has done away with gender discrimination by making tax rates equitable for men and women. However, realising the growing ageing population, a new category of very senior citizen was created few years ago.

Tax Slabs

General	Senior Citizen (60-80 years)	Very Senior Citizen (Above 80 years)	Tax Rate
Up to Rs 2 lakh	Up to Rs 2.5 lakh	Up to Rs 5 lakh	No Tax
Rs 2-5 lakh	Rs 2.5-5 lakh	No Slab	10%
Rs 5 - Rs 10 lakh			20%
Above Rs 10 lakh			30%

Tax saving

A savings or investment product that allows you to set-off the investment as a deduction on your taxable income is known as a tax-saving product. Simply put, the amount you put in a tax-saving scheme will be reduced from your taxable income for tax calculation purpose, thereby reducing your income tax outgo. There are several ways to save income taxes; however, the option that has the biggest tax saving impact is Section 80C of the Income Tax Act. Under Section 80C of the Income Tax Act, the Government allows individuals to claim tax benefits on an amount of up to Rs 1 lakh and if you fall in the highest tax bracket, then you can save up to Rs 30,000 in taxes.

A wide variety of financial products fall under the ambit of the Section 80C through which one can save taxes. For instance, deduction on life insurance policy, taken after April 1, 2012, are allowed only if the yearly premium is less than 10 per cent of sum assured and if it is more than 10 per cent; it is not eligible for deduction under Section 80C. Equity linked savings scheme, which are tax saving mutual funds, Public Provident Fund (PPF), Employee Provident Fund (EPF) or bank fixed deposit with five year lock-in.

To learn more about investment,

SMS 'EDU IT' to 5676766
or mail at
learning@icicisecurities.com
or log on to
http://learning.icicidirect.com

There are several other options such as Notified Pension Plans that qualify for tax rebate, National Savings Scheme of both 5-year and 10-year tenure, Expenditure on a child's education, which is Rs 200 per month for up to 2 children, Tuition fees up to a maximum of Rs 24,000 a year excluding development fees and donations, even housing loan principal repayment, and approved super annuation and deferred annuity plans.

What more, there is also Section 80D, under which premiums paid towards health insurance are exempt up to Rs 15,000 for individual covering his family and dependent children. In case the proposer covers their parents under medical insurance, they are eligible for a deduction of another Rs 15,000 under section 80D. If the parent to be covered is above 65 years, the deduction available is Rs 20,000 under section 80D.

The best way to benefit from tax saving instruments is to align your tax savings with your financial goals. There are several financial planning service providers who can best match the two to fit in an optimal manner. You can also use the facilities of online service providers that allow you to calculate your tax liability and file tax returns. The point to note is to ensure that you save every bit on income tax in the most effective and efficient way.

"Build your financial stability for years to come."

Plan your finances with our Financial Planning Service.

To avail Financial Planning Service, log on to **www.icicidirect.com** or sms **'IDIRECT FPS'** to **5676766**.

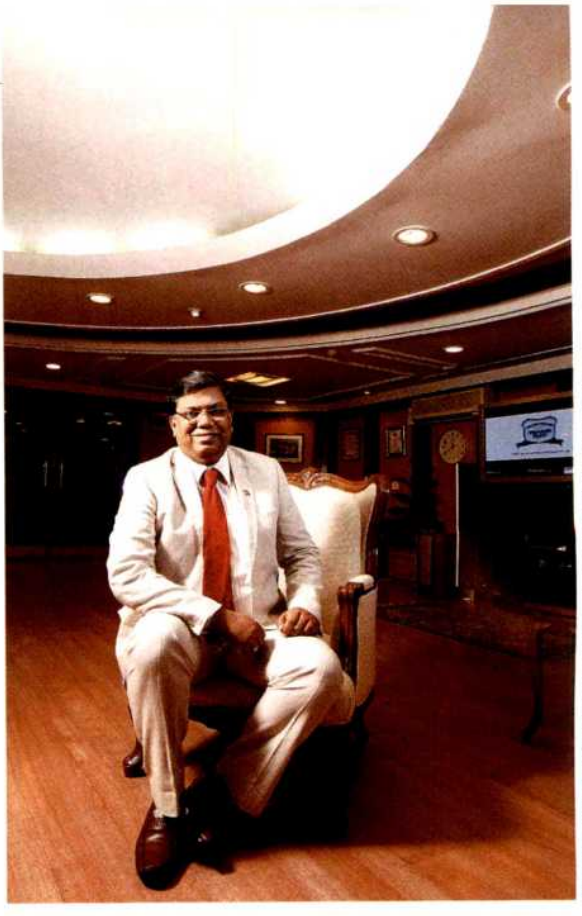
ICICI direct.com
Investments on Your Fingertips

ICICI Securities Ltd.

ICICI Securities Ltd. | I-Sec). Registered office of I-Sec is at ICICI Securities Ltd. - ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai - 400020, India. Tel No.: 022 - 2288 2460, 022 - 2288 2470. Corporate Agent of ICICI Prudential. & ICICI Lombard. Composite Corporate Agent License No. CA-0429. Insurance is the subject matter of solicitation. ICICI Securities Ltd. does not underwrite the risk or act as an insurer. The contents herein above shall not be considered as an invitation or persuasion to trade or invest. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of any action taken in reliance thereon. PFRDA registration numbers: POP no - 5000343, POP SP no - 6088766. AMFI Regn. No.: ARN-0845 Please note that Mutual Fund investments are subject to market risks, read the scheme related documents carefully before investing for full understanding and detail. NPS is a defined contribution plan and the benefits would depend on the amounts of contributions invested and the investment growth up to the point of exit from NPS. Kindly read the offer documents carefully before investing in NPS for full understanding and detail.

Coal imports cannot be a long-term option as global prices of coal are increasing and will add to the cost of power generation

Arup Roy Choudhury/ Chairman/NTPC



SHEKHAR GHOSH/WWW.INDIATODAYIMAGES.COM

ministry cancelled the mining licences for 11 blocks held by corporate houses including the Tata group and Jindal Steel & Power. Also, new mining areas are located either in forests or regions inhabited by tribal people and permission to mine is hard to come by. As a result, investors are jittery and are holding back investments.

Coal Secretary S.K. Srivastava admits that environment and forest clearances and land acquisition problems pose the biggest challenges to mining. "We are working with states to get through these hurdles quickly," he says.

Industry executives argue that allowing private players to mine coal for commercial purposes will boost output and help improve productivity. Currently, state-run Coal India is the only company allowed to mine coal for commercial purposes. But it is not terribly efficient, especially compared with companies globally. According to a study released in November by the Federation of Indian Chambers of Commerce and Industry, Coal India produces 1,100 tonnes of coal per employee a year. US coal miner Peabody Energy and China's Shenhua Energy extract 36,700 tonnes and 12,700 tonnes per employee, respectively, the study showed. "We have a monopoly in coal mining and that should go," says Suresh Prabhu, former power minister. "It should be replaced with an efficient mining environment which will set new global benchmarks."

B.K. Chaturvedi, Member (Energy), Planning Commission, says it is time to revisit the Coal Mines (Nationalisation) Act, which nationalised coal mines in the 1970s. "Coal policy is in a dire need of revamp," he adds. G.M. Rao, Chairman, GMR Group, favours opening up the coal sector the way the oil and gas sector's New Exploration Licensing Policy did. "This will encourage private companies, Indian and foreign, to enter the coal sector, bringing in the latest technology, equipment and established practices for a substantial increase in mining of coal," he says.

P.C. Parakh, former coal secretary, recalls making a proposal to allow commercial mining by private companies after Prime Minister Manmohan Singh took charge of the coal ministry following Shibhu Soren's resignation in 2004/05. "The idea was to have two or three large private-sector companies mining about 200 million tonnes of coal each," he says. The proposal did not go through as the government at the time was supported by Left parties, which were opposed to the idea. "Had we done it then we would not be struggling with a coal shortage now," he adds.

An independent regulatory regime is a prerequisite before the government can think of allowing private players into commercial coal mining. The Cabinet cleared the Coal Regulatory Authority Bill 2013 earlier this year. Coal Secretary Srivastava says the ministry is ready to table the bill in the winter session of Parliament. But time is running out. This session will be the last one

THE REPERCUSSIONS

- Coal shortage has worsened the power situation, as more than half of total generation is coal based
- High coal imports and low iron ore exports have widened the current account deficit
- Lower production of minerals has blunted India's competitive edge as a manufacturing base
- The mining sector remains primitive as it is not getting much investment and modern technology
- Existing investors are deserting the mining sector
- The worsening mining sector is damaging the country's economy

Sobha Developers Ltd.
Real Estate & Construction

SOBHA
PASSION AT WORK

A Truly Global Indian Company
www.sobha.com

LEISURE FOR THE BEST OF BANGALORE. ADMIRED BY THE REST OF BANGALORE.

SOBHA PALLADIAN
AN ARCHITECTURAL MARVEL
FACING HAL AERODROME, YEMALUR ROAD, BANGALORE

Balnea, the Palladian style Clubhouse

Spacious Living Room & Dining Area

Serene Swimming Pool

An ISO 9001: 2009, ISO 14001: 2004 and OHSAS 18001: 2007 Certified Company.

The property advertised is financed by Indian Overseas Bank

Call 080 4349 0044, Email to marketing@sobha.com or Visit www.sobha.com/HAL

The ratio of proven resources to total resources is dismal in India. There is a huge need to convert the vast resources into proven deposits

G.M. Rao/ Chairman, GMR group

VIVAN MEHRA/www.indiatodayimages.com

of the current Lok Sabha – general elections are due by May – after which all pending bills will lapse.

Opinion is divided, however, on allowing private players into commercial coal mining. Firoz, the steel ministry official, says private players will also have to tackle the same problems Coal India faces in acquiring land, getting environmental and forest clearances, overcoming infrastructural challenges and local resistance.

Industry is divided too on the efficacy of the new land acquisition law that comes into effect from January. "The law makes land very expensive. Industry has to pay four times the market price," says Raghuraman, the former CII executive. That doesn't worry Vedanta's Roongta. "We have no problems with compensation," he says. His worry is that the law decrees the land has to be returned if no development work takes place for five years. "We do not get all the approvals in this time period," he says.

Venkatesan Subramanian, Vice President and Global Leader for mines and minerals practice at consultancy Frost & Sullivan, says companies run from pillar to post and engage middlemen to get approvals. "A single-window system with the participation of all concerned ministries will get things moving and boost investor confidence," he adds.

E&Y's Agarwal says India must spend more on mineral exploration. According to an E&Y study, India's exploration budget is just 0.5 per cent of the global spend. Rao concurs. "The ratio of proven resources to total resources is dismal in India. There is a huge need to convert the vast resources into proven deposits," he says.

Also needed is a strong oversight body to monitor mining activities. This is crucial to avoid illegal mining and environmental degradation. Raghuraman notes that though mining does impact the environment , resources have to be mined for economic growth. He adds the government must announce a clear policy which balances the need for mining with environmental concerns. "Today, environmental issues have been left to the Supreme Court to tackle. The government should come out with a plan to penalise errant miners, monitor mining closely in the future and help lift the court's ban quickly," he adds.

Raghuraman also wants the government to improve infrastructure facilities. He points out that construction of some railway lines and roads that pass through forests and Naxal-dominated areas in Chhattisgarh, Orissa and Jharkhand – the states with the biggest mineral deposits – has been stuck for years because of delays in approvals and threats from Naxals. "The government has to take a call on how to handle this," he says.

No doubt the mining sector faces plenty of problems. But the problems are not insurmountable. The government must send the right signals to investors that it is serious about modernising its mining sector. And it must send those signals quickly. Or else, investors like ArcelorMittal and Posco will keep pulling out of India. ◆

@Madhuta, @krbaloo and @anileshmahajan

THE WAY FORWARD

- Update regulatory and policy framework by passing the MMDR Bill
- Bring transparency to the granting of mining permits
- Set up an inter-departmental body for speedy clearances
- Throw open commercial mining of coal to the private sector
- Announce a policy that balances mining and the environment
- Attract foreign investment and modern technologyw

We mean Business

With one of the most attractive industrial investment policies in the country and unique salient features such as **VAT retention,** Punjab has garnered appreciation from the business community. Availability of best-in-class infrastructure, uninterrupted power supply, zero man-day loss and political stability make Punjab one of the easiest places to do business in the country today.

I welcome all the investors to **Progressive Punjab Investors Summit 2013,** where you will find unlimited investment opportunities in Agro & Food Processing, Textiles, Light Engineering, Information Technology, Infrastructure, Skill Development and Health & Biosciences.

The stage is set at **ISB Campus, Mohali** to welcome you with the best that the state has to offer. Come and be a part of the business event of the year on **December 9-10, 2013.**

For further information and registration, please visit:
www.progressivepunjab.gov.in

"It is my privilege to welcome you to Punjab, the land where people dream big and achieve big. Welcome to **Progressive Punjab** Investors Summit."

Parkash Singh Badal
Chief Minister, Punjab

PROGRESSIVE PUNJAB

OPPORTUNITIES UNLIMITED

INVESTORS SUMMIT 2013
DECEMBER 9-10, 2013

Nodal Agency: PUNJAB INFOTECH

Knowledge Partner: KPMG cutting through complexity™

Communication Partner: APCO worldwide®

Institutional Partner: CII Confederation of Indian Industry

*Entry by invitation only.

The Importance of Being— Independent

Non-executive directors at Indian companies have not proved effective so far in improving corporate governance practices. They themselves are partly to blame.

By MANU KAUSHIK

RAJ VERMA

On a wintry evening in December 2005, Prithvi Haldea received a phone call from an industrialist friend. The Delhi-based friend sounded worried. He sought help from Haldea, Founder-Chairman of primary market tracker PRIME Database, to find an independent director for his ₹700-crore company. The matter was urgent because the Securities and Exchange Board of India's (SEBI) January 1, 2006, deadline for listed companies to appoint non-executive directors was fast approaching. The friend called again a day later to inform Haldea he was appointing Ram Lal, his barber, to the board. Haldea was dumbfounded. He asked his friend how he would justify the appointment to shareholders. SEBI, the industrialist said, hadn't prescribed any qualifications for independent directors. "We are describing him as an expert in personality development," he told Haldea. Neither the company's shareholders nor SEBI raised any questions over the barber's appointment.

Naming a barber to the board may have been an extreme case, but the incident highlights how lightly some Indian companies take corporate governance issues. The situation hasn't changed much nearly eight years after SEBI modified a key clause of the listing agreement that companies sign with stock exchanges. The modified Clause 49 required, among other conditions, listed companies to constitute boards with at least 50 per cent independent directors. The aim was to improve governance and financial disclosure standards at companies.

Has the regulator succeeded? And are independent directors really independent?

In theory, the role of independent directors is to bring objectivity to the board, protect the interests of minority shareholders, and improve risk management. In reality, this rarely happens in India. Independent directors have proved ineffective in improving governance and preventing corporate fraud. The reasons vary. Some non-executive directors stay on a board for decades while some others sit on multiple boards, hampering their ability to effectively scrutinize management decisions. A lack of will among company founders or dominant shareholders to improve governance has also affected independent directors' functioning. Weak regulations haven't helped either.

A study released on October 20 by proxy advisory firm InGovern pointed out that, as of March, at least 10 independent directors had been on a board for 20 years or more. These included industrialists Keshub Mahindra and Nusli Wadia as well as renowned lawyer R.A. Shah. Mahindra, Chairman Emeritus at automaker Mahindra & Mahindra, was on the board of mortgage lender Housing Development Finance Corporation for 36 years – he stepped down on October 21. Wadia, Chairman of textile company Bombay Dyeing, has been on the board of Tata Steel for 34 years while Shah has been an independent director with Colgate-Palmolive India for 30 years. "Serving a board for a long duration impairs an independent director's ability to challenge management decisions," says Amit Tandon, Co-founder of proxy advisory firm Institutional Investor Advisory Services.

Clause 49 suggests a maximum tenure of nine years for independent directors. But it's not mandatory for companies to stick to this limit. The Companies Act 2013 changes that. The law caps the tenure at two consecutive terms of five years each. Directors can be reappointed after a three-year gap. Dilip Thakkar, a chartered accountant by profession who sits on around two dozen boards, argues that tenure does not interfere with a director's freedom to challenge management and that the new law will create a

The role of independent directors is to bring objectivity to the board, protect the interests of minority shareholders, and improve risk management. But this rarely happens

shortage of non-executive directors. "The government is trying to curb demand [for independent directors] without creating supply," he says.

HARDLY INDEPENDENT

A recent incident that raises doubts about the role of independent directors involves Subodh Kumar Agrawal, President of the Institute of Chartered Accountants of India, the country's accounting regulator. Agrawal has been an independent director at Gujarat NRE Coke for 12 years and heads the board's audit committee. He found himself in hot water when proxy advisory firm Stakeholders Empowerment Services (SES) raised questions about the company's audit process.

SES says the company's auditor – N.C. Banerjee & Co. – certified the consolidated accounts for 2012/13 by auditing only nine per cent of its assets and over 33 per cent of revenue. The remaining assets and revenue belong to the company's Australian units, whose auditor – Grant Thornton – had asked for more time and audit evidences to certify the accounts. The audit panel passed the accounts on May 30 without questioning the process the Indian auditor followed.

Several incidences of fraud and failures at companies such as Kingfisher Airlines and Ranbaxy have raised doubts about the role of independent directors

A FULL PLATE

Independent directors who are on eight or more company boards*

Independent directors	Number of companies
R.A. SHAH	12
B.S. MEHTA	12
SHAILESH HARIBHAKTI	12
D.J. BALAJI RAO	10
NASSER MUNJEE	10
HAIGREVE KHAITAN	9
NARESH CHANDRA	9
D.J. THAKKAR	8
ANIL HARISH	8
OMKAR GOSWAMI	8
D.E. UDWADIA	8

*The list is compiled from BT1000, a listing of top 1,000 Indian companies by market value. Data as of March 2013
Source: CMIE Prowess

Agrawal was not available for comment despite repeated attempts.

Film distributor Eros International Media is another company with eminent people – Naresh Chandra, Shankar Acharya and Dhirendra Swarup – as independent directors. Chandra is a former cabinet secretary and India's ambassador to the US. Acharya is a former chief economic adviser to the finance ministry. Swarup is a former chairman of the Pension Fund Regulatory and Development Authority. Still, the company has defaulted on its tax payments. As of August, Eros owed ₹43.2 crore to the government in undisputed taxes, according to SES. The payments have been due for a long time – value-added tax from 2006/07 to 2011/12 and service tax from 2000/01 to 2010/11. Email queries to the company did not elicit any response. Chandra refused to comment specifically on Eros, but said that payment delays "happen in some companies".

Suresh N. Talwar, who sits on the boards of top companies such as Larsen & Toubro and Biocon, says independent directors have their limitations. "We meet four times a year for a couple of hours. In board meetings, everything that's presented to us looks fine. We never come to know of any problems."

Nick Paulson-Ellis, CEO of brokerage Espirito Santo Securities India, says controlling shareholders – whether in a multinational corporation, a state-run firm or a private company – do not like to be challenged by outsiders. "It takes a lot to challenge executive decisions in such a scenario," he says.

Chennai-based Sun TV Network is a case in point. As of June, its promoters own 75 per cent of the media company. Even though Sun TV's remuneration committee is headed by independent director J. Ravindran, its wages are heavily skewed in favour of its promoter

HITACHI
Inspire the Next
"CAN'T WE USE MAGIC TO GET THERE FASTER?"
At Hitachi, we're inspired by challenging questions. That's why we've taken a different approach to help cities face the growing pressure on their transportation network. We're committed to finding integrated solutions that provide reliable and efficient transportation systems. Using our innovative information technologies, we're already making it happen with rolling stock systems, traffic management systems as well as other transportation infrastructure. The future deserves more than ready-made answers. Hitachi Social Innovation.
social-innovation.hitachi.com
SOCIAL INNOVATION
IT'S OUR FUTURE

Some experts say companies should adequately compensate independent directors. Others argue high remuneration harms their objectivity

directors. In 2012/13, the company's 1,916 employees together earned ₹85.7 crore, or ₹4.5 lakh on average. In comparison, the promoter directors – Kalanithi Maran and Kavery Kalanithi – each got ₹56.2 crore as salary and perks. This is a whopping 1,250 times the average staff salary. "It clearly shows the independent directors have failed to implement fair remuneration policies," says J.N. Gupta, Managing Director at SES. Ravindran didn't respond to a request for comment.

CORPORATE MISGOVERNANCE

Corporate governance came into the limelight in India after an accounting scandal at software exporter Satyam Computer in 2008. The scandal highlighted the need for a strong board with vigilant non-executive directors. Since then incidences of fraud and failures at companies such as Kingfisher Airlines, Ranbaxy Laboratories and S. Kumars Nationwide have raised concerns about the functioning of independent directors.

Kingfisher had five independent directors, including former SEBI chief G.N. Bajpai, who quit between September 2011 and March 2012. Bajpai was appointed to the board

COUNTING CASH

Independent directors on the basis of remuneration earned*

Independent directors	Total remuneration in ₹
OMKAR GOSWAMI	26,871,000
S.M. PALIA	18,360,000
AMAN MEHTA	17,710,000
VIJAY KELKAR	15,158,000
SHAILESH HARIBHAKTI	13,780,000
SUBODH BHARGAVA	12,680,686
NARESH CHANDRA	12,200,000
R.A. SHAH	12,020,000
NASSER MUNJEE	8,559,000
E.A. KSHIRSAGAR	7,970,000

*The list is compiled from BT1000, a listing of top 1,000 Indian companies by market value. Data as of March 2013
Source: CMIE Prowess

of group company United Spirits a few days after he left the Kingfisher board. The airline was grounded in October because of massive debts and failing to pay salaries and taxes for many months. The same month, HMX Acquisition Corp, the US unit of textile company S. Kumars Nationwide, filed for bankruptcy. Its board included former SEBI chief M. Damodaran as an independent director. Damodaran and two other non-executive directors, Suresh N. Talwar and D.D. Avari, resigned soon after the bankruptcy filing.

In May, Ranbaxy agreed to pay a record $500 million fine to settle allegations that drugs from two of its factories did not meet regulatory standards and that it had submitted false data to US authorities between 2003 and 2010. The independent directors on Ranbaxy's board when the alleged malpractices took place were noted investment banker Nimesh N. Kampani, former Procter & Gamble India CEO Gurcharan Das and industrialist Vivek Bharat Ram. Rajesh Shah, an independent director with Ranbaxy for about five years, says there is nothing wrong with the board's functioning. "The board of Ranbaxy is doing what is expected from it," he says.

Chandra, the former cabinet secretary, says the debate on independent directors is "over-influenced" by corporate fraud. Chandra, who sits on the boards of 10 listed companies, says Satyam's auditor was accounting giant PricewaterhouseCoopers. Also, the company, which was listed in New York at the time of the scandal, was governed by the Sarbanes-Oxley Act, a US law aimed at protecting investors and preventing fraud. "What better can you bring?" asks Chandra. "If big business houses commit fraud, independent directors cannot do anything."

Thakkar says independent directors resign because they are scared they will be held accounta-

Laurent & Benon
GIFTING SOLUTIONS

New Year Gifting Solutions

It's 2014 and it's time to celebrate! Find unique New Year's gifts for all the people who make every day a cause for celebration.

SMS LNB to 56161

Gurgaon
Email- shivani@laurentandbenon.com
Phone No.- 08470006123

Mumbai
Email- priya@laurentandbenon.co.in
Phone No.- 09321057436

Advantages Laurent and Benon

- True one stop solutions-No Need to approach multiple vendors to finalize New Year Gifting Plans.
- One of the most exclusive New Year gifting collections that are hand picked and redefined to beauty and elegance.
- Transparent dealing ensures best quality at optimum savings.
- Timely delivery of the correct product.
- Make the New Year gifting the most memorable ones by adding a personal touch to it. Full range of customized products.
- Rewards/loyalty programs management Online/Offline.

Leather Goods:-	Office & Laptop Bags, Business Planners & Folders, Gift Sets, Men's Wallets, Women's Wallets, Key Rings, Passport & Document Holders, Card Holders etc.
Office Ideas:-	Diaries, Watches, Notepads, Pens, Key Chains, Photo Frames, Coasters etc.
Laptops & Mobiles:-	Laptops, Peripherals, Mobile Phones, Tablet PC's, Pen Drives, Computer Speakers, Headphones
New Year Specials:-	Cakes, Wine Glasses, Tealights, Gift Hampers & Much More

AT THE LAST MINUTE
Some companies that named independent directors days before filing public offer documents with SEBI

Company	Date of filing prospectus	Appointment date	Directors
Future Ventures India	Aug 13, 2010	Aug 10, 2010	Jagdish Vasudev Shenoy
Hindustan Media Ventures	Mar 05, 2010	Feb 22, 2010	Ajay Relan, Ashwani Windlass, Shardul Suresh Shroff
L&T Finance Holdings	Mar 30, 11	Mar 22, 2011	Pradeep Vasudeo Bhide
PC Jeweller	Sep 29, 11	Sep 20, 2011	Manohar Lal Singla, Krishan Kumar Khurana
National Buildings Construction	Feb 09, 2012	Feb 04, 2012	K. Chandrashekhar Iyer
Bharti Infratel	Sep 14, 2012	Sep 03, 2012	Vinod Kumar Dhall, Jitender Balakrishnan, Bharat Sumant Raut

AJAY RELAN

SHARDUL SHROFF

JITENDER BALAKRISHNAN

Source: PRIME Database

ble for things beyond their control. This fear stems from the fact that the listing agreement does not mention anything about the liability of independent directors in case of corporate fraud. The Companies Act, however, specifies that independent directors will be liable only for their own actions and not for all executive decisions. "It's a right step that will take away fear from their minds," says Richard Rekhy, CEO of consulting and accounting firm KPMG India.

OVERWORKED, OVERPAID

An important issue that worries corporate governance watchdogs is what they call "directorship overload". Clause 49 does not limit the number of boards a person can join as an independent director. The Companies Act 2013 has tried to address the issue. It says a person can join no more than 10 listed companies and 20 overall as a non-executive director.

Sridar Iyengar, an independent director at Mahindra Holidays, Dr Reddy's Laboratories and Rediff.com, says even 10 boards are too many. "The agendas are so voluminous these days that it is important to come prepared for meetings," he says.

Another contentious issue is remuneration. Some experts say companies should adequately compensate non-executive board members while others argue that high remuneration harms their objectivity. "We are paid ₹20,000 per meeting. I can make three times of that amount in an hour," says Thakkar. The Companies Act has raised the cap on the sitting fee to ₹1 lakh per meeting from ₹20,000.

The new law has, however, done away with stock options, which are allowed under the listing agreement. Omkar Goswami, founder of consultancy CERG Advisory, says this could prevent start-ups and companies that do not make a profit in initial years from attracting good independent directors. "Companies like Google and Netscape gave stock options to their directors in the formative years," adds Goswami, who is an independent director with eight listed companies in *Business Today*'s ranking of 1,000 largest companies in India in terms of market capitalisation and makes ₹2.68 crore a year from these companies alone.

Vishesh Chandiok, National Managing Partner at Grant Thornton India, says compensation needs to be enough to attract young professionals. According to a PRIME Database analysis of 1,465 companies listed on the National Stock Exchange and 197 unlisted companies, more than 91 per cent of independent directors are above

"There are so many overleveraged companies in the country but no independent director expresses concern"

Vishesh Chandiok, National Managing Partner, Grant Thornton

45 years. "People choose to become independent directors very late in their careers and that's why it's difficult to find young people joining company boards," says Paulson-Ellis of Espirito Santo. "The entire ecosystem has to change for independent directors."

A NEW ECOSYSTEM

So, how will the ecosystem change?

The Companies Act requires companies to form nomination committees that will choose independent directors from a database the government will prepare. But doubts remain about its efficacy. "There are fears the database is nothing but a trick to push the government's candidates in the corporate sector," says former bureaucrat Chandra. "This is worrying companies."

PRIME Database's Haldea says even a nomination committee cannot ensure a fair selection of candidates. "No promoter will induct a stranger on the board," he says. Companies' founders or dominant shareholders will continue to influence the selection process because the law prohibits appointing only a certain set of people who are related to a company or its founders, he adds.

Unlisted companies take corporate governance even less seriously. According to PRIME Database, between April 2006 and September 2012, various companies appointed 92 independent directors in the month prior to filing their public offer documents with SEBI. (See *At The Last Minute*).

KPMG's Rekhi says independent directors should be told their key responsibilities at the time of appointment, a practice followed in Australia, Singapore and the UK.

Experts say SEBI should also punish companies that flout corporate governance norms. Clause 49 empowers the regulator to suspend share trading and even delist the defaulters. But it hasn't done so thus far. For instance, when Kingfisher Airlines missed its 180-day deadline last year to appoint new independent directors, the regulator did not take any action. A SEBI official, who does not wish to be named, says the regulator has been taking steps to improve corporate governance standards. SEBI is also examining the recommendations of a panel tasked with suggesting changes to Clause 49 so that it conforms to the new Companies Act, he says.

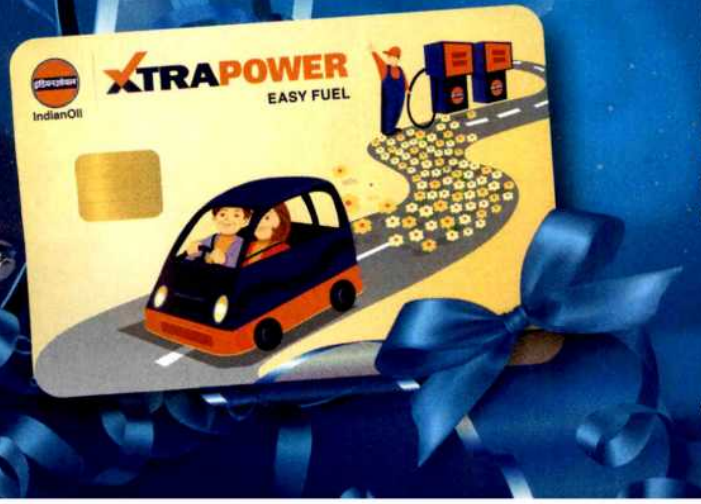
Tighter regulations, however, will matter little if independent directors don't assert themselves. "There are so many overleveraged companies in the country but no independent director expresses concern," says Grant Thornton's Chandiok. "They need to continuously question management decisions." ◆

WITH RESEARCH INPUTS FROM JYOTINDRA DUBEY

@manukaushik

Fuel your Celebrations

WITH XTRAPOWER EASY FUEL CARD....



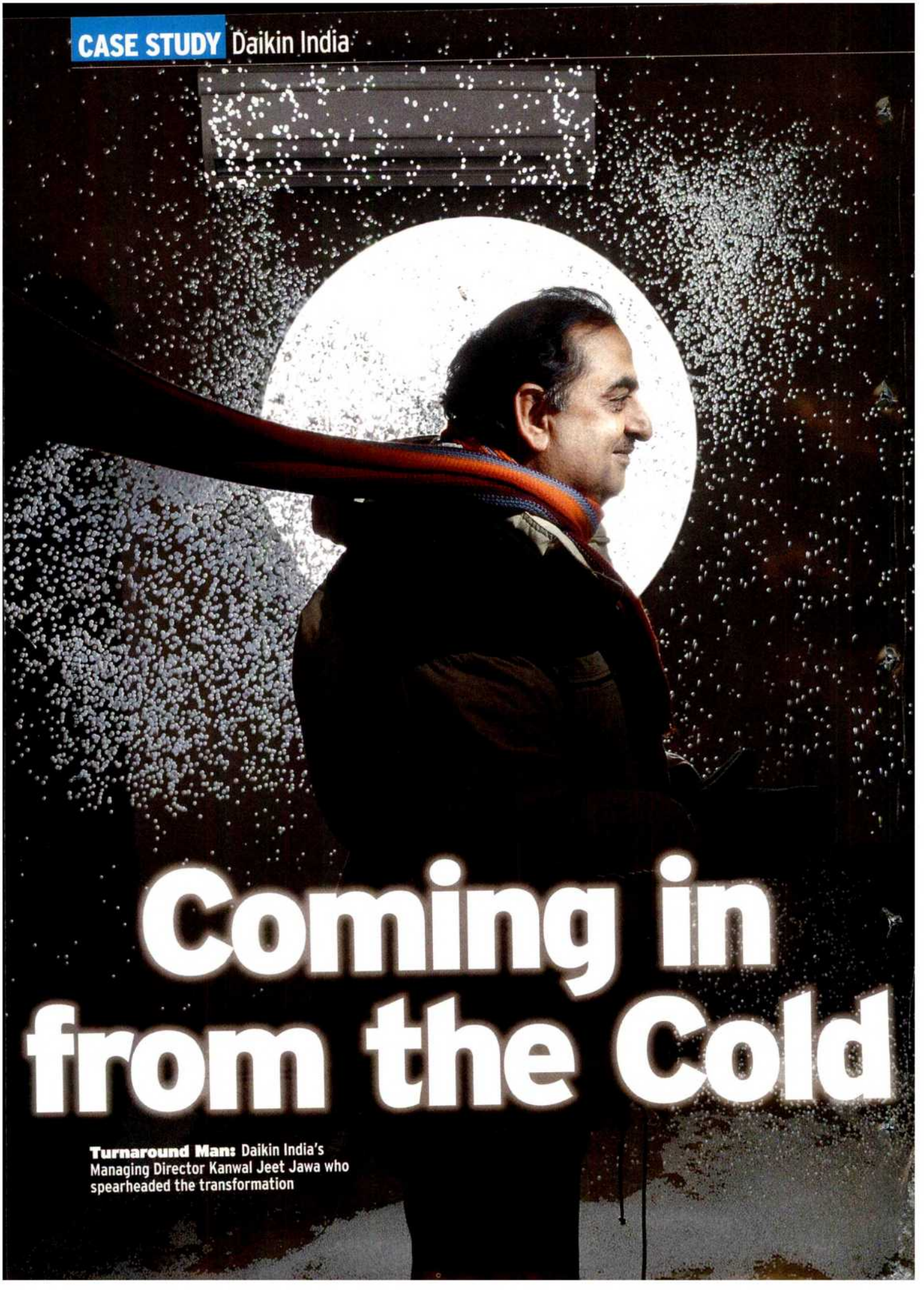
A smart corporate gifting solution.

During this festive season, choose the perfect gifting option for your employees, business associates and customers - XTRAPOWER Easy Fuel card, a smart card loaded with any monetary value, which can be redeemed for fuels and lubricants at 7000 IndianOil retail outlets across the country. This fully secured card comes with web-based usage monitoring and top-up facility.

IndianOil | XTRAPOWER EASY FUEL

www.iocxtrapower.com | Email: custserv@iocxtrapower.com

24x7 Toll free: 1800 200 1214



Coming in from the Cold

Turnaround Man: Daikin India's Managing Director Kanwal Jeet Jawa who spearheaded the transformation

EXECUTIVE SUMMARY:

Japanese air-conditioner maker Daikin Industries fared poorly in the highly competitive Indian market till 2009. But then the company rolled out a well-crafted strategy to capture a larger size of the market. It succeeded in an incredibly short period of three years. This case study takes a look at its remarkable turnaround story.

By SUNNY SEN

A dusty winding road, off the Delhi-Jaipur highway, leads to the sprawling 40-acre campus of Japanese air-conditioner (AC) maker Daikin's India factory in Neemrana. The town is known more for its six centuries old fort-palace, a weekend getaway for Delhiites.

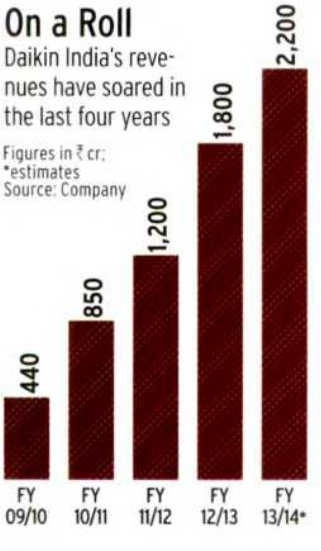
For Daikin, Neemrana has its own importance. It is close to its component makers in the Rajasthan State Industrial Development and Investment Corporation (RIICO) industrial belt. Also, Delhi, one of Daikin's key markets, is just 120 km away.

The Neemrana plant makes 1,000 ACs every day for residential, commercial and industrial use. In many ways, the hustle and bustle at the unit signals Daikin's growing footprint in India. In 2009/10, Daikin sold 34,000 ACs in India, and ranked seventh among all AC makers. By 2012/13, this figure had grown a spectacular twelve times in volume to about 400,000. About 85 per cent of its sales are of residential ACs.

Daikin has also increased its revenues manifold – from ₹440 crore in 2009/10 to ₹1,800 crore in 2012/13. It is now the second-largest AC maker in India after Voltas in terms of revenue, according to Registrar of Companies data available with the company. In 2013/14, the firm hopes to clock sales of ₹2,200 crore. The AC industry is estimated to post a turnover of ₹16,500 crore next year, according to industry estimates, growing at 10 per cent annually.

The man who spearheaded Daikin's spectacular turnaround is Managing Director Kanwal Jeet Jawa. He has spent three decades in the AC business, and has been with the company since April 2010. "We have a product range no one can match – from 0.75 tonne to 2,700 tonne chillers," he says. But building a diverse product portfolio is only partly responsible for Daikin's success. The company has devised a five-point strategy which revolves not only around products, but also people, service, systems and the brand.

The brand itself has undergone a metamorphosis. In 2000, when Daikin set up its operations in India, it was a premium AC maker. Its product prices were beyond the reach of the common man. Jawa realised this had to change if Daikin had to get a significant share of the market. But it was a long haul. In



ADITYA KAPOOR/www.indiatodayimages.com

DAIKIN MUST BECOME TRULY CUSTOMER-CENTRIC

Daikin's strategy for growth in India has clearly shown results. They have achieved success in a short time by focusing on the large segment of value-conscious consumers. They are increasing brand awareness and selling high-quality products at competitive prices. At the same time, they have expanded their distribution network to make their products available and improve services. They are right in changing their orientation from engineering to marketing. It is not easy, and their success so far is remarkable.

Their main challenge would be to sustain leadership in a competitive market. They can do so by becoming truly customer-centric. They seem to be following conventional wisdom in the industry regarding customer segmentation. They are changing elements of the marketing mix to provide better value than existing products. For example, they launched energy-efficient products that adjust cooling by sensing room occupancy as light commercial products. However, people are adopting these products for residences as well. Therefore, there might be an opportunity for more effective market segmentation.

Daikin must develop a deep understanding of customer needs and behaviour. They can start with the problem they intend to solve for the customer and then understand how customers solve it. Their focus should be on the entire cycle of purchase, use and disposal of alternatives to find hidden value elements. This knowledge would allow segmentation of customers in meaningful ways. They can then offer superior value to each segment through new technologies and products, and other elements of the marketing mix. This approach starts with the customer, not competitors. Overall, they are on the right path. However, the next phase of sustaining success would be more challenging.

"It must develop a deep understanding of customer needs and behaviour"

SIDDHARTH SHEKHAR SINGH,
Associate Professor, Marketing,
Indian School of Business

2004, Daikin bought out shares of the Siddharth Shriram Group, which owns the Usha brand, to make the Indian unit a wholly-owned subsidiary. In many ways this was the turning point and Daikin began to focus more on its Indian operations. "It took them a lot of time to understand India," says Jawa. Daikin, then, imported residential ACs from Japan and Taiwan. However, costly imports did not allow them to scale up and become a mass market player.

In 2009, at Daikin's headquarters in Osaka, the senior leadership put together a 150-page vision document, *Fusion 2015*, for the company in India. A new core team of 15, including Jawa, was put in place for its Indian operations. The same year Daikin did a survey on brand perception – 56 out of 100 people had not heard about the company. It started new campaigns to boost brand visibility. But the new team went for the kill, when it slashed the product prices by 40 per cent in 2009 and launched a series of products in the price range of ₹24,000. The strategy worked and in 2010/11 Daikin doubled its revenue to ₹850 crore.

This phenomenon was new in the consumer durables space even though it had been seen in other sectors. For instance, foreign shoe brands, including Adidas, Reebok and Nike, had entered India at prices higher than domestic competition. They eventually rolled out products at lower price points to boost sales, though still at a relative premium to local brands such as Action and Tuffs. "Daikin has got the Indian ethos to AC making correct," says Harish Bijoor of Harish Bijoor Consults, a consulting firm specialising in brand and business strategy. "In India, the value for money connotation is very huge, and the opportunity is in the mid-level market."

Jawa also realised that Daikin had to be present in many more towns and cities. In 2010, he called a dealers' meet at the ITC Hotel in Agra. About 350 dealers were invited and given the option to go to tier-II and tier-III cities by adding an additional dealership. "We were at that time selling to only the super rich, which is a niche," says Jawa. Within a year's time the dealer network doubled. At the end of the last fiscal, Daikin had 1,800 dealers. It expanded from four regional offices in the metros to 11 offices around the country, and

WAVE
PRESENTS

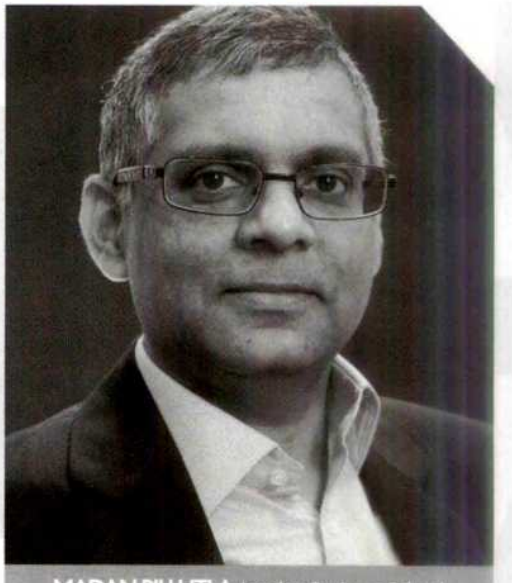
business today
MIND RUSH

SWAP CUTTING-EDGE IDEAS WITH GLOBAL THINKERS

GURU OF INNOVATION

JOHN KAO, Institute for Large Scale Innovation

MASTER OF NEGOTIATION



MADAN PILLUTLA, London Business School

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW

www.businesstodaymindrush.com

LIFESTYLE PARTNER
SWAROVSKI ELEMENTS

BESPOKE GIFT PARTNER
DA MILANO ITALIA

DIGITAL OOH TV PARTNER
OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com#mindrush

linked.com/company/business-today

DAIKIN HAS ALIGNED STRATEGY WITH ITS VISION AND MISSION

Since its entry into the Indian market, Daikin has succeeded in executing a long-term strategic marketing plan and has thereby emerged as a significant player in the AC market. Being a global leader, Daikin was obviously focusing on one of the most promising and emerging countries. The company had a solid action plan and transformed itself from an engineering company into a marketing one. The important lesson from this venture is the alignment of strategy with the vision and mission of the company. This is mostly dependent on the initial phase where identification and evaluation of opportunities in a marketplace is carried out.

The five-point strategy devised by Daikin India chief Kanwal Jeet Jawa was very crucial in repositioning Daikin as an affordable brand. The incorporation of an Indian team helped this wholly-owned subsidiary to localise the product and reach out to a large number of customers in a short period of time.

Localised production coupled with slashing of prices at the right time helped Daikin achieve a significant market share. Adopting this strategy in the consumer durables industry based on the experiences of multinational sports apparel companies was a unique initiative by the company which paid high dividends.

The intensity of a formal marketing plan was evident with the widening of the channel partnership using the same dealers which eventually changed the niche market into a mass market.

Although large numbers of exclusive showrooms are being opened and a service training centre has been set up to support staff, maintaining service quality will be a challenge in Indian conditions. The absence of stable power supply and associated problems are still rampant in the country which will have an impact on the AC market which is growing at 10 percent. Hence the company should be focusing on a more realistic approach than reaching the milestones ahead of time.

"Executing a long-term strategic marketing plan, it has emerged as a significant player in the AC market"

OMKUMAR KRISHNAN,
Associate Professor, IIM Kozhikode

it also opened godowns and smaller offices.

"We were an engineering company and now becoming a marketing company, but we had to keep the engineering DNA intact," says Jawa. Daikin then unveiled a product – R32 refrigerant – in 2012, which allowed Daikin to use a smaller compressor, coil and other components, reducing the size of the AC by 30 per cent and offer it at only a 15 per cent premium over what its South Korean rivals LG and Samsung did.

Meanwhile, the consumer durables industry was moving towards star rating, the standards set by the Bureau of Energy Efficiency. The more the number of stars (the maximum being five), the lesser electricity would be consumed. Daikin then developed an energy-efficient product which could sense the occupancy of the room, and regulate cooling and tonnage of output accordingly. It was initially launched as a light commercial product, but it is now finding a place in large apartments and villas. With lesser competition in this space – Mitsubishi and Toshiba are its only competitors – Daikin has a fair chance to be a leader. In China, Daikin has already cornered 45 per cent of the light commercial product AC market. In India, it claims to have already got half of the market and is aiming at 57 per cent by 2015.

The turnaround in Daikin's fortunes in India is in large measure an outcome of higher localisation. Till about two years back, Daikin was only making commercial ACs and chillers in India, and was importing all its residential AC units from Taiwan and Japan. But Jawa realised that to bring down price, it was important to rely on local component manufacturers.

Jawa had also learnt from experience. In 2010, a huge consignment of residential ACs got stuck in customs and needed to be delivered urgently to its dealers. Daikin was in expansion mode, and Jawa could not afford to lose time. The moment the consignment was cleared, Jawa got it airlifted and transported to various locations in the country, spending a big amount on transportation. The only way he could avoid such a situation in the future was by making the ACs in India. He started procuring components locally, and finally by 2012 Daikin stopped all imports and started manufacturing residential ACs at the Neemrana plant. Except the compres-

It is these refined tastes that identify our readers. This is reflected in the quality of journalism that you see in Mail Today. From in-depth analysis and learned debate, each subject is dealt with in our inimitably bold style. Our readers possess a distinctive class and hence are targeted for the best brands in each product category.

MAIL TODAY

Read by those who matter

sor and the controller, everything else in Daikin ACs are made in India. This, Jawa says, also has helped in reducing cost by about 45 per cent.

Daikin is now set to expand operations. It has already invested ₹743 crore in the Neemrana plant. The plant can manufacture up to five lakh ACs every year, but the current capacity will be fully utilised by the end of this fiscal. Jawa has already anticipated demand surpassing supply. He has got ₹300 crore sanctioned from the parent to double the plant's capacity to a million units.

The company has also opened 100 exclusive Daikin stores, and there are a few more in the pipeline. The company has demarcated five acres of land in the plant facility for a training centre on soft skills and sales. For example, it is mandatory to pick up customer-care calls within 11 seconds. "We have our own bible," says Jawa. Daikin employees call it the Blue Book, and they abide by it.

The Daikin management in Japan is obsessive about tracking growth. Every quarter, Jawa says, there is a review done by the Japanese parent. Every month there is a review by the Indian management, and zonal offices do their weekly review.

Even though Daikin's growth is praised by some analysts, others look at it with scepticism. "This category is fast moving towards commoditisation," says Arvind Singhal, Chairman of the consultancy firm Technopak Advisors. "How much of that growth is sustainable is not known." This is largely because the AC industry per se can go through little innovation, say experts. It is also easy to replicate any innovation, which leaves little room for differentiation. For example, energy-efficient inverter ACs are in the portfolio of every company now.

There are other challenges before Daikin. The Korean consumer electronics majors, LG and Samsung, have a larger distribution network and can reach out to many more people, especially in rural India. Other Japanese makers, such as Panasonic, have also slashed prices of products which might hit Daikin. Also, the three competitors mentioned above have a wider range of products which can give them an edge over Daikin, says Singhal.

Jawa is unruffled. He has only one thing on his mind – meeting the goals outlined in *Fusion 2015*. The original plan, according to *Fusion 2015*, was to become the No.1 AC maker in India, in terms of revenue, by 2015. But the Daikin India chief has a slightly different plan. He wants to do it a year before target. "Given the current run rate, we will be there before 2015," says Jawa with a smile. And given his track record, it is difficult not to take him seriously. ◆

What do you think was key to Daikin India's phenomenal success in India? Post your comments at businesstoday.in/casestudy-daikinindia. The best response will be published in the magazine and will also win a copy of a Harvard Business School Press pocket mentor. Previous case studies are at www.businesstoday.in/casestudy.

BEST OF THE LOT

BT **gets many responses to its case studies. Below is the best one on Renault Duster (October 27, 2013)**

Shagun, Student, IIM Kozhikode

Dusting off the Competition

W

The success story of Renault Duster is a classic example of a company benefitting by breaking into uncharted territory. This success is in large measure a result of the Indian customer's preference for SUVs (Sport Utility Vehicles) and the Duster's value proposition. Drawing an analogy with W. Chan Kim and Renée Mauborgne's Blue Ocean Strategy, value innovation in the Duster made competition irrelevant and helped Renault resuscitate its image in India after the failure of Mahindra Renault Logan. Renault differentiated the Duster by giving it an imposing road presence and macho styling of an SUV, coupled with the fuel efficiency and performance of a sedan at a lower cost. The innovation created a sweet spot and the brand got good word of mouth publicity. This spread awareness about the brand. Hence, despite a limited number of dealers, the Duster outsold Maruti Ertiga and matched the sales of Mahindra Scorpio, both with a comparatively extended dealer network. However, the challenge for Renault is to safeguard its position in the face of growing competition. The immediate threat is from Ford's EcoSport, an SUV just below four metres, which is exempt from excise duty, unlike the Duster. This presented an opportunity for Ford to price the vehicle even more aggressively. Thus, Renault should focus on increasing market share for the Duster by a mid-generational refresh.

Shagun wins a Harvard Business School Press pocket mentor

PHOENIX INFRA GROUP

www.phoenixinfragroup.com
www.phoenixinfra.com

Phoenix Infra Estate International Ltd.

AN ISO 9001:2008 CERTIFIED COMPANY

8 States I 22 Cities I 35 Branches

Welcome to the world of unlimited opportunities!!!

The promising world of Phoenix Infra group, a conglomerate of 14 companies, hinges on the pillars of superior quality, commitment to service and customer delight.

The trust of our people has earned us many accolades

Awards & Recognition

International Award

Year 2008
Indian Achievers Forum in Bangkok, Thailand.

Year 2011
Glory of India by APEGA in Bangkok, Thailand.

National Award

Year 2008
Bharat Gaurav Award

Year 2007
National Quality Excellence & Business Leadership Award & Gold Medal

Year 2007
National Achievers Award

Year 2010
National Status Award

Year 2010
Rajiv Gandhi Excellence Award

Year 2012
Pride Of India Award

"Maximize opportunities, with minimal investment"

Our Enterprises

PHOENIX agro | PRIDE INDIAN | print & media | FLECH | PHOENIX YOUTH FORUM | Phoenix WORLD HOLIDAYS | Women's Pride | PHOENIX

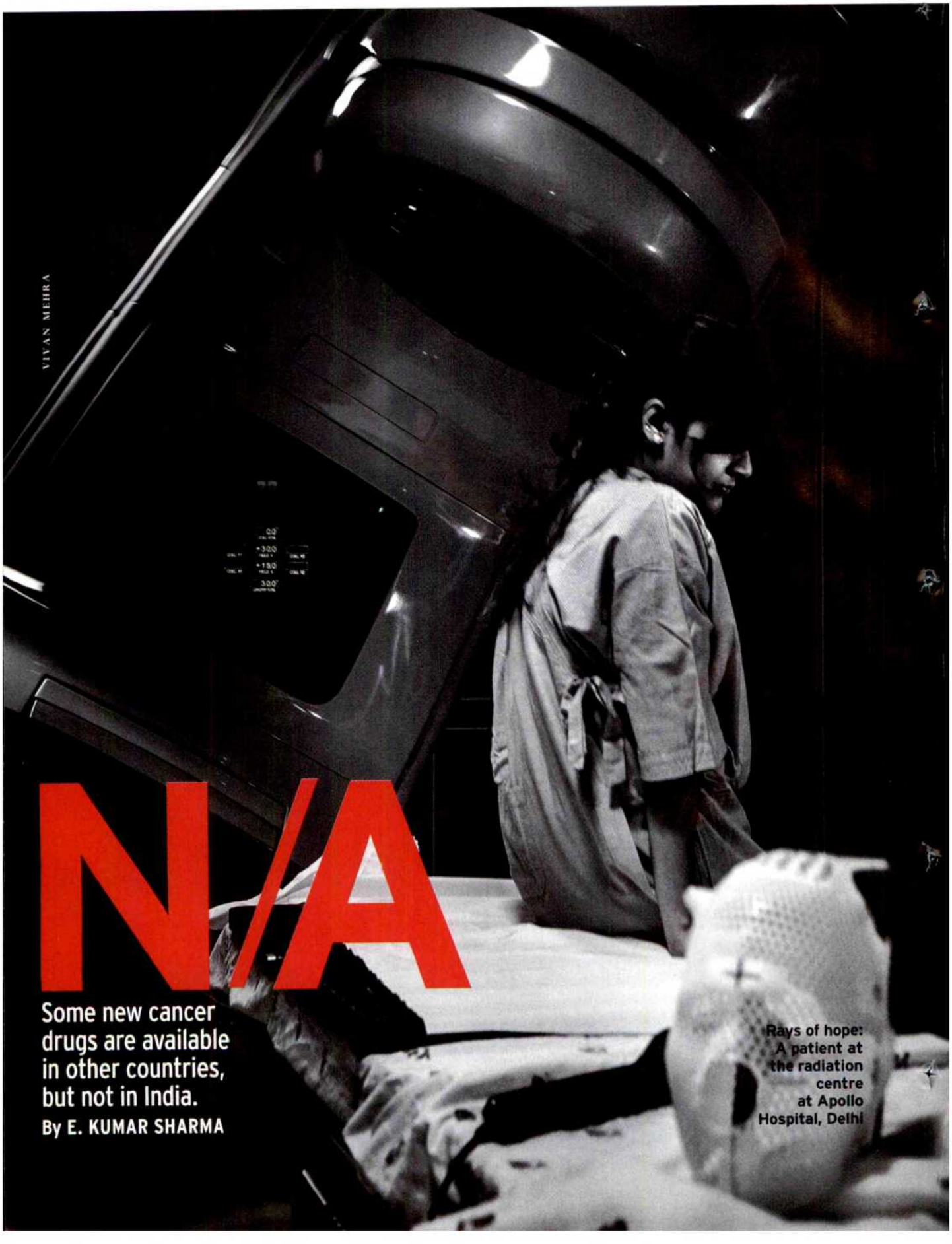
Truth is Our Ornament

Registered Office : 16, Kanchan Sarita, Near Lokmat Building, Lokmat Square, Wardha Road, Nagpur -12
Contact : Ph.: 0712-662 2301-1-2-3-4, Toll free : 1800-267-2017

Design By: Phoenix Print & Media Nag.

OUR PRESENCE

NAGPUR - Lokmat Square I Manewada I Wardha Road I Wardhman Nagar I Kamptee Road I **INDORE:** Orbit Mall I RNT Marg I Sudama Nagar I Pithampura I Sadhana Nagar I **BHOPAL** : Habibganj I Kohefija
Amravati | Mumbai I Navi Mumbai | Pune | Kalyan | Nashik | Thane | Goa | Raipur | Bhilai | Bhopal I Dhar I Ahmedabad | Bhavnagar I Lucknow | Jaipur | New Delhi



VIVAN MEHRA

N/A

Some new cancer drugs are available in other countries, but not in India.

By E. KUMAR SHARMA

Rays of hope: A patient at the radiation centre at Apollo Hospital, Delhi

Oncologist Radheshyam Naik works at HealthCare Global (HCG), a Bangalore-based hospital chain that specialises in caring for patients with cancer, and sees about 150 cancer patients a month. About one-tenth of his patients have ailments for which drugs exist but are not available in India. Among them is a 45-year-old software professional who has a kind of bone marrow cancer. The patient, who does not want to be identified, may at best be able to pull along for another six to nine months on drugs currently available. The father of two school-going children, he is being treated with thalidomide. "He needs pomalidomide but it is not available in India," says Naik.

The new drug is life-extending, rather than life-saving, but even that can make a big difference. "This drug would make things better for him for at least the next two years, by which time there may be another drug available that could either extend his life further or offer a new solution," says Naik.

There are more than a dozen drugs in important cancer treatment areas that are not available in India. "The new drug flow into India has slowed down significantly and it is a matter of concern for oncologists and cancer patients," says oncologist B.S. Ajaikumar, Chairman and CEO of HCG.

Every year, dozens of products are released in global markets. In 2012, the US Food and Drug Administration (US FDA) approved 39 new medicines, up from 30 in 2011 and 21 in 2010. Generally, 30 to 40 per cent of new drugs are for cancer.

The availability of new drugs varies by country. Kewal Handa, former managing director of Pfizer India, who now runs healthcare advisory Salus Lifecare, says: "The launch of these products depends on several factors, including market potential – the number of people who can afford them – and the time taken for approvals in the country." He says it takes anywhere from four months to two years for a new product to enter India.

Take pomalidomide, the drug that Naik's patient needs. A spokesperson for Celgene, the company that markets it as Pomalyst in the US, said in an email: "As with many of our therapies, we work toward approvals and availability in a country-by-country fashion and Pomalyst is still near the beginning of that process, having only received approval in the US and the European Union (where it is marketed as Imnovid)." A spokesperson at Bayer HealthCare said his company's regorafenib (which is sold under the brand name Stivarga and used to treat some types of colorectal cancer) says it is "currently not approved in India and hence not available in the market". The drug received US FDA approval in late 2012.

Pharma industry expert Aditya Kapil says something few multinational pharmaceutical companies are willing to say outright: India simply isn't a sizeable drug market from a revenue standpoint. "Total pharma sales in India are a little more than the global market for just one blockbuster drug, say, the anti-cholesterol drug Lipitor." Kapil, who tracks pharma, biotech and technology, recently quit Ventureast, a venture capital firm, to set up his own investment fund.

Limited health insurance penetration also means that most Indians pay out-of-pocket, and cannot afford expensive treatment. Naik's patient, for instance, currently spends ₹15,000 a month on his therapy. If he were on pomalidomide, would he be able to afford ₹1.5 lakh a month?

There are other reasons why mul-

tinational drug companies could find India underwhelming. "In the current scenario, even Indian companies have few incentives to undertake research and innovation, and even their own generic drugs have come under price control," says Kapil. "So there is little likelihood of this being seen as an environment encouraging big pharma to get newer drugs into India." The negative news about Ranbaxy and Wockhardt makes India less appealing, as does the wider context of revoked patents, drug price controls, and compulsory licences (patent holders granting licences to generic drug makers who sell the drug cheaply and pay royalties to the innovator company).

US giant Merck & Co, known as MSD outside North America, does not even list India among its top 10 priority markets (Brazil and China are on the list), which figure prominently in its recently announced global initiative to sharpen its commercial and R&D focus.

Many big pharma companies, including MSD, seem guarded in their responses and say they are committed to India, which is an important market for them. Ask MSD about bringing new drugs to India, one of its fastest growing markets, and a spokesperson says: "We stay committed to addressing disease burden in the country with a comprehensive ... approach of launching innovative ... medicines and vaccines, responsible and India-specific pricing, partnerships for disease management, capacity building and co-marketing for deeper geographic reach."

A spokesperson for Pfizer in India, while emphasising that India is an important market, says: "A lack of clarity and inconsistency in Indian regulatory requirements will lead to a shift of clinical trial placements to other countries with a developed, science-based and consistent regulatory framework. In the absence of clinical trials in India, it will become difficult to register new drugs leading to Indian patients being denied access to new innovative medicines."

For a foreign company to launch a drug in India, prior approval in the US or Europe is not enough. The company must conduct "confirmatory trials" in India, to establish the safety and efficacy of the drug on Indians. The requirement can be waived in a few cases, such as a national emergency, but a Parliamentary standing committee has raised questions about some instances of waiver. In the light of this, many in the industry fear that the regulator, the Drug Controller General of India (DCGI), may take a risk-averse stance and insist on trials in every case. DCGI G.N. Singh defends trial requirements, saying that they are necessary to ensure patient safety.

So far, the only way out is for doctors to write to the companies and get medicines delivered on a case-by-case basis, either under the patient's personal import licence or through the drug manufacturer's patient assistance programme.

For example, Palaki Satya Dattatreya, an oncologist at Omega Hospitals in Hyderabad, which specialises in cancer care, procured three drugs under patient assistance programmes: regorafenib from Bayer, crizotinib from Pfizer (it has since become available in India), and plerixafor from Aventis. So three of his patients could benefit from these drugs. This solution is clearly not scaleable. Patients have to take care of getting import clearances and duty exemptions. Ajaikumar of HCG says: "We have been using this measure, too ... but it is not easy. It is a long drawn out process that could take up to three months, and that is precious time lost by a cancer patient." ◆

@EKumarSharma

WAVE
PRESENTS

business today
MIND RUSH

BRAINSTORM WITH THOUGHT LEADERS

LEADERSHIP ICON

Vineet Nayar, HCL

THE TRAILBLAZER

N.R NARAYANA MURTHY, Infosys

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW

www.businesstodaymindrush.com

LIFESTYLE PARTNER
SWAROVSKI ELEMENTS

BESPOKE GIFT PARTNER
DA MILANO ITALIA

DIGITAL OOH TV PARTNER
OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com#mindrush

linked.com/company/business-today

SAVING PREEMIE LIVES

A portable warmer developed by two Indian students and their classmates at Stanford University is helping premature babies survive

By SHALINI KATHURIA NARANG and K.R. BALASUBRAMANYAM

At risk: One in three babies in India has low birth weight

It's just another morning at the government-run Vanivilas Hospital in Bangalore. Outside the neonatal intensive care unit, where premature babies are kept in incubators, mothers await their turn to breast-feed their infants. Some 40 to 60 babies are born daily in this 536-bed hospital, which tends to many poor patients. The incubators are full, and a few preemies are swaddled in what look like tiny sleeping bags.

These are baby warmers, and have their origins in a classroom at Stanford University, California. With the help of venture capitalists, four alumni – Jane Chen, Rahul Panicker, Naganand Murty and Linus Liang – have turned their classroom concept into a commercial product, sold under the brand name Embrace Nest. *The Economist* has named the four colleagues winners of its award for social and economic innovation. Previous winners include Sam Pitroda and N.R. Narayana Murthy.

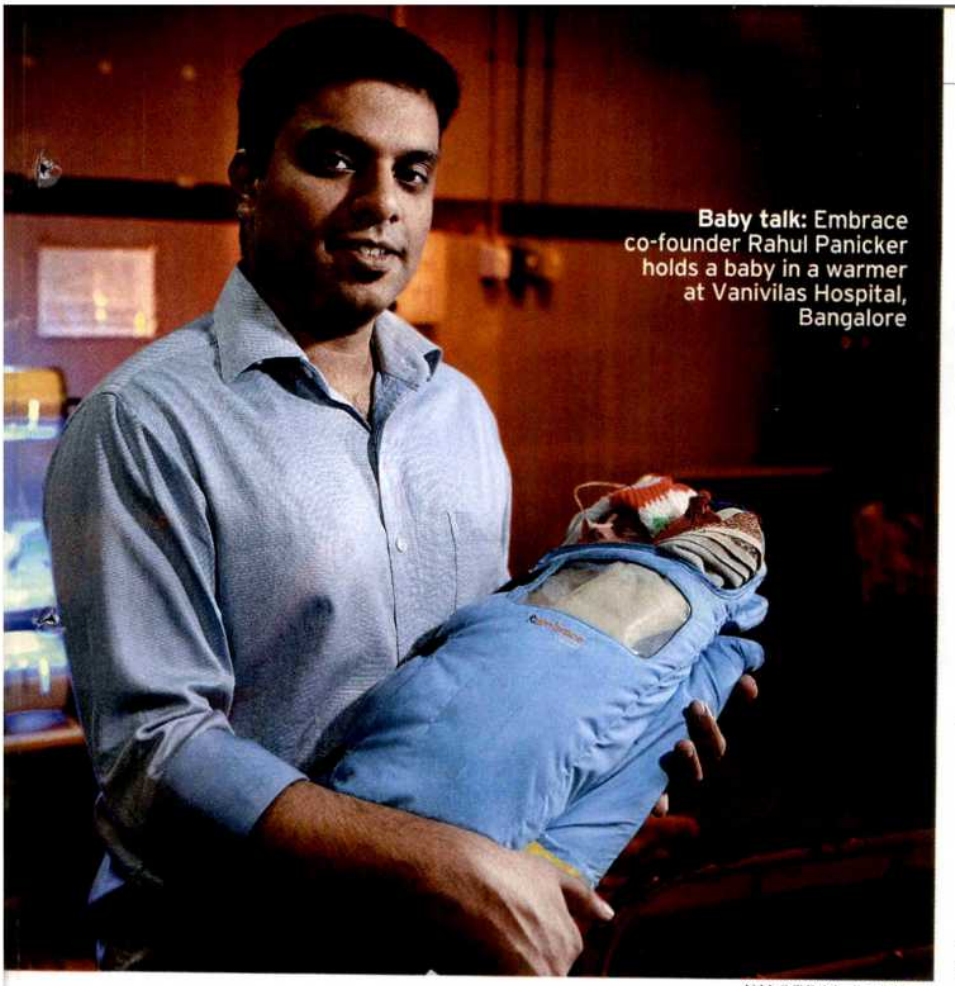
The Stanford graduates built the prototype five years ago through their non-profit entity, Embrace, founded to save premature and low-birth-weight babies, who often die for want of body heat in their first few days, especially in poor countries. The non-profit has licensed the product to Embrace Innovations, a for-profit company that operates in India through its Bangalore-based subsidiary Cambree Life Improvement Technologies Pvt Ltd.

Panicker and Chen lead Embrace Innovations, while their other two colleagues have moved on. "The infant warmer went through almost 60 iterations as we learnt from the field and scaled manufacturing," says Panicker, who is President of Products at the company. He adds that all manufacturing is done in Bangalore. Some components are outsourced, but the final assembly and quality testing are done in-house, he says.

The product was launched in April 2011 in a few places in Karnataka. When heated for around 30 minutes, it keeps the infant at a clinically optimal temperature for up to six hours. It does not need a constant supply of electricity, making it ideal for a country where power supply is erratic or absent. "We use Embrace warmers to move babies within the hospital and between hospitals, without which some are in danger of becoming hypothermic,"

"The warmer went through 60 iterations as we learnt from the field and scaled manufacturing"

Rahul Panicker, Co-founder & President, Embrace Innovations



Baby talk: Embrace co-founder Rahul Panicker holds a baby in a warmer at Vanivilas Hospital, Bangalore

NILOTPAL BARUAH

LOW-COST SOLUTION

Embrace Nest is ideal in situations where electric supply is erratic

It is used in India at more than

1,000

clinics and hospitals

Source: Embrace Innovations

says Dr Sahana Devadas, neonatologist at Vanivilas. Hypothermia occurs when body temperature drops, a potentially dangerous condition.

"Getting customers and the medical community to adopt a new product and concept is challenging in the medical devices industry," says Mark Straub, Director at Khosla Impact Fund, the arm of Silicon Valley entrepreneur Vinod Khosla's venture fund that has invested in Embrace. The other major investor is Capricorn Investment Group, the venture fund of Canadian billionaire Jeff Skoll.

Manipal Education and Medical Group CEO Ranjan Pai, Biocon founder Kiran Mazumdar-Shaw and a few angel investors hold small stakes in the company. The non-profit Embrace has a minority stake.

"The depth of expertise in the team and the product design are things that we like in Embrace," says Straub. "What we'd like to see them do better is choosing the right partners, and how much time they need to spend on each partner."

Hypothermia is a major cause of death in premature and low-birth-weight babies. In India, one in three babies has low birth weight (less than 2.5 kg). Many newborns lack the fat that lets them regulate body heat. In areas where equipment is scarce, the infant warmers can help at-risk newborns survive.

"This is an important innovation, because we are nowhere near the global millennium goals in terms of infant and mother health," says Mazumdar-Shaw.

Dr Devi Shetty, Chairman of the Narayana Hrudayalaya hospital chain, says he hopes business models will evolve around the product – for instance, rentals to hospitals or parents. "There are cheap incubators, but many are complex and depend on electricity," he says. Panicker adds that while a conventional incubator can cost as much as ₹10 lakh, the Embrace warmer costs ₹15,000 on average (the price varies with order size and specific features).

In the two years since the launch, the product has been used on about 10,000 babies, says Panicker. He does not disclose financial or sales figures, but says the product is in use in about 1,000 clinics and hospitals in 10 states. "Our margins are enough to enable growth and for the development of future products," he says.

"One challenge is that neonatal hypothermia is still not an entirely understood health condition," says Pompa Debroy, Program Director, India, at the non-profit Embrace. The organisation provides free baby warmers in regions where people cannot afford them. ◆

Shalini Kathuria Narang is a freelance journalist based in San Francisco

@krbaloo

THE TURNAROUND: MAKE THE WORST OF TIMES YOUR BEST OF TIMES

business today

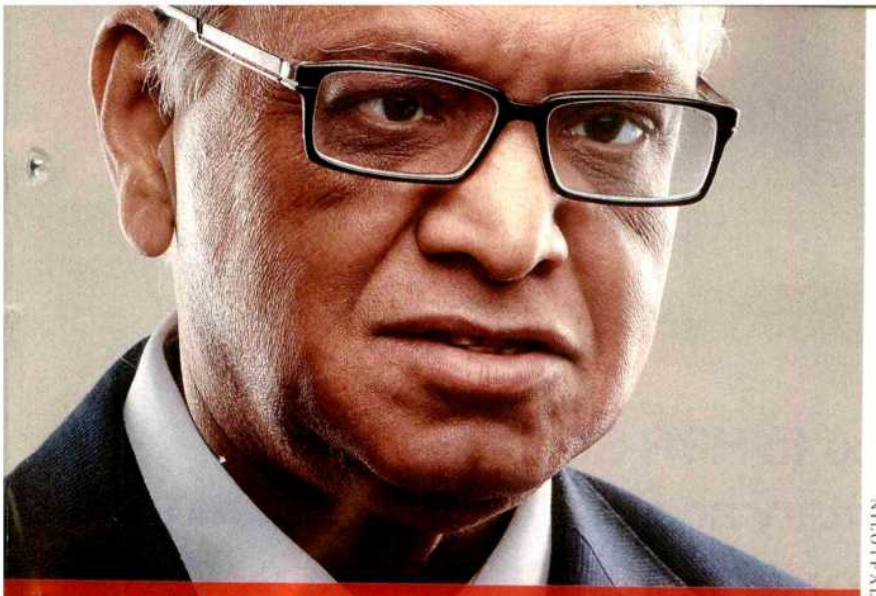
MIND RUSH

By TEAM BT

Leadership development is an ongoing and timeless process. In the world of business, developing leaders calls for an understanding of the current economic dynamics, prevalent management thinking, out-of-the-box ideation, drawing lessons from life experiences of successful people, and a lot more. At a time when the economy is in the doldrums, leadership development becomes even more important. Today's second line of command in companies – the leaders of tomorrow – has to learn to cope with not only competitive pressures, but also extraneous pressures that are often beyond their control. And, stay updated with the latest in management thought. All this takes time. And time, the most valuable asset, is in short supply.

That is where *BT* MindRush comes in. A unique initiative, *BT* MindRush brings global thought leadership to the doorstep of India for the leaders of tomorrow, to hone their management thinking and skills. With formidable icons like John Kao of the Institute of Innovation, N.R. Narayana Murthy of Infosys and Vineet Nayar of HCL, among many others, in interactive mode, BT MindRush distills the world's wisdom into an action packed day-and-a-half. For added inspiration, the action begins with announcement of the winners of the coveted *BT* Best CEOs Awards – those who delivered the goods when the going got tough.

BUSINESS TODAY MINDRUSH DEC 13 AND 14, THE OBEROI, GURGAON
FOR REGISTRATIONS GO TO www.businesstodaymindrush.com



NILOTPAL BARUAH

N.R. NARAYANA MURTHY
EXECUTIVE CHAIRMAN, INFOSYS

SESSION: WEATHERED WISDOM

What my business taught me about the business of life

Rarely in the history of corporations do retired founders come back to rescue their floundering babies. The late Steve Jobs is one example but he was far from retired when he rejoined Apple. In the case of Nagavara Ramarao Narayana Murthy, 67, it tells a lot about his magic.

The original poster boy of India's IT sector, Murthy bootstrapped Infosys Technologies in 1981 with just ₹10,000 and grew it to a multi-billion dollar outfit. He articulated, designed and implemented the global delivery model (GDM), where customers were serviced from multiple remote locations, which was subsequently replicated by other IT companies.

Murthy steered Bangalore-based Infosys towards many firsts. It was the first in the country to report quarterly financials, guide against insider trading, have its directors assessed by peers, and promulgate the idea of a lead independent director. Infosys also became the first Indian company to be listed on the NASDAQ in 1999. Time and again, Murthy asserted that bad news must be proactively conveyed to investors. Murthy and Infosys together changed the perception of the industry among investors and, more importantly, the perception of India globally. No longer was it a country of snake charmers, but one where engineers could develop, test, integrate and maintain complex applications for the world's largest corporations.

Murthy also set very high standards for his employees, ensuring that nobody used community resources for private benefit. And he knew how to take care of his employees – in 1993, when Infosys went public, he offered stock options to them.

Charismatic, easily accessible and soft-spoken with a modulating tone, Murthy is a great communicator. After his retirement in August 2011, Infosys went into a tailspin with inconsistent financial performance and big-ticket resignations. In June this year, Murthy was reinstated as Executive Chairman. The magic is at work again.

business today
BEST CEO
AWARDS 2013

No, we are not announcing the winners here. They will be feted – and their names made known – only on the evening of December 13, when the *Business Today* Best CEO Awards are presented by the chief guest, Union Minister of Commerce & Industry, Anand Sharma. It is a joint effort of *BT* and PricewaterhouseCoopers India. The winners have been chosen by a jury panel led by K.V. Kamath, Chairman of ICICI Bank. Watch for their names in the next issue of *BT*!

CEO of the Year

BEST CEO of an MNC

BEST Woman CEO

BEST CEO FMCG

BEST CEO BFSI

BEST CEO Automobiles

BEST CEO Pharma & Healthcare

BEST CEO Auto Ancillaries

BEST CEO Core sector

BEST CEO IT & ITES

Harvard Business Review
Stand tall. **Above all.**

INDIA TODAY GROUP

Subscribe to HBR South Asia
and get **complimentary access to HBR webinars**
worth ₹ 6,000

HBR webinars, a series of online interactions with leading management experts, is now included with your HBR South Asia subscription.

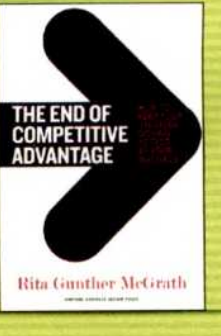
For subscription enquiries, please contact Rohit Chauhan
Mob: +91 99109 91115. Email: subscribehbrsa@intoday.com

A Harvard Business Review South Asia webinar

The End of Competitive Advantage

by

Rita Gunther McGrath
Author, Speaker & Consultant.



Thursday, December 12, 2013 ▪ 5:30 pm – 6:30 pm

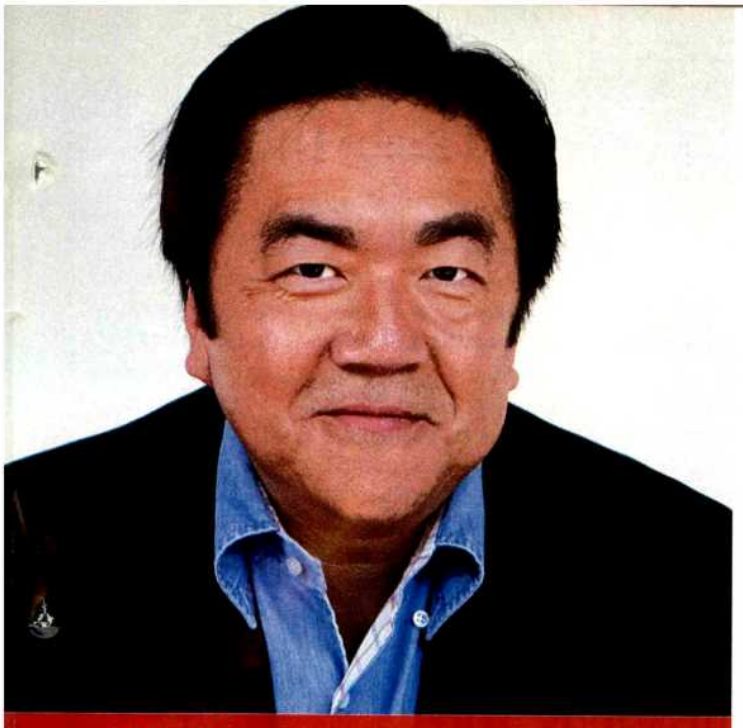
FREE ACCESS FOR HBR SOUTH ASIA SUBSCRIBERS

Registration Categories (for non-subscribers)

Individual User	Corporate / Institutional User
₹ 1,500	₹ 5,000 (access limited to 5 IDs)

To join, register now at **www.webinar.hbrsasia.org** or contact

Rohit Chauhan: Mob: +91 99109 91115. Email: rohit.chauhan@intoday.com
Shanta Kanjilal: Mob: +91 88003 83388. Email: shanta.kanjilal@intoday.com



JOHN KAO
INSTITUTE OF INNOVATION

SESSION: IGNITION LAB

Disruptive Innovation: A habit, a way of life

When John Kao is not busy puncturing America's self-congratulatory attitude on innovation, he plays jazz on his piano or does theatre. The Innovation Activist, as he describes himself, wears multiple hats. He is the chairman of the Institute for Large-Scale Innovation and has chaired the World Economic Forum's Global Advisory Council on Innovation. He taught at Harvard Business School from 1982 to 1996, and held faculty roles at the Massachusetts Institute of Technology Media Lab, Yale College, and the Naval Postgraduate School.

Kao has penned two bestsellers – *Innovation Nation: How America is Losing its Innovation Edge* and *Jamming: The Art and Discipline of Business Creativity*. In addition, he has advised corporate and government leaders such as former US Secretary of State Hillary Rodham Clinton.

Described as "Mr Creativity" by *The Economist*, Kao is known for ideas that break convention. In Transformation Manifesto, a pocket guide, he suggests organisations to hire a chief destruction officer instead of a chief innovation officer to think differently.

Kao has an undergraduate degree from Yale College, a postgraduate degree from Yale Medical School, and an MBA from Harvard Business School. The serial entrepreneur is also a Tony-nominated film and theatre producer as well as a jazz pianist who spent the summer of 1969 playing keyboards for rock legend Frank Zappa.

SESSION: TIPS FROM SCIENCE

Better negotiation outcomes

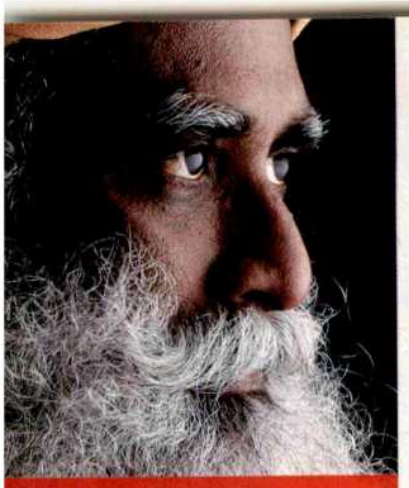
Madan Pillutla studied engineering at the Birla Institute of Technology and Science, Pilani, but he wasn't meant to be an engineer. Human behaviour was what excited him. So, his next academic stop was XLRI, Jamshedpur. That proved to be a great choice. "We had a professor who would not teach at all. He would dump truckload of research material on us to take home and study," he says. "I was forced to sift through reams of paper and it opened my window to the study of human behaviour."

After a stint with cigarette maker ITC, Pillutla joined the University of Illinois to study organisational behaviour. He followed it up with a doctorate in management from the University of British

PROF MADAN PILLUTLA
LONDON BUSINESS SCHOOL

Columbia. He now teaches negotiation as the Mike Salamon Professor of Organisational Behaviour at the London Business School. Pillutla's research has been featured in many journals. His current research projects include an investigation into the origin of fair behaviour, i.e., are we born with the capacity to be fair or is it something we learn?

Pillutla says his opinion of India has changed since he started his career. He recalls watching a cricket match at Lords in the UK. He says he had given up on the match after Sachin Tendulkar got out. "But my friend persuaded me to stay on and watch Mohammad Kaif. India won the match and since then I sat up to watch the next generation in India with greater interest."



SADHGURU JAGGI VASUDEV
YOGI/ MYSTIC/ VISIONARY

SESSION: CTRL+ALT+DETOX

Let go of the worst and keep the best

A blend of profundity and pragmatism, Sadhguru Jaggi Vasudev uses yoga as the core of his teachings but not without a healthy dose of inclusive growth and economics thrown in for the business world. Passionate and provocative, insightful and logical, his witty talks have earned him the reputation of a global speaker and opinion-maker. He addresses issues as diverse as human rights, business values, social and environmental concerns, and existential questions.

Sadhguru has been a delegate to the United Nations Millennium World Peace Summit, a member of the World Council of Religious and Spiritual Leaders, and the World Economic Forum at Davos. He is the founder of Isha Foundation, a non-profit that works to promote rural upliftment, education reform, and AIDS awareness.

SESSION: STRATEGY REBOOT

Leadership ideas and what works when

VINEET NAYAR
VICE CHAIRMAN, HCL TECH

Vineet Nayar shaped HCL Technologies' transformation from a $700 million-plus company in 2005 into a $4 billion-plus global technology services giant. He joined Noida-based HCL in 1985, after earning an MBA from XLRI Jamshedpur. In 2005, he became its president, and served as its CEO from 2007 before becoming its Vice Chairman in 2010. In 2011, *Fortune* magazine named Nayar on its first global executive dream team. The same year, he wrote *Employees First, Customers Second*, which changed the perception of the IT sector – known for its predatory employee policies. In 2004, Nayar set up Sampark Foundation, a philanthropic outfit, with his wife Anupama, which aims to transform the lives of children, youth, and adults through education and social entrepreneurship, among other things.

NISHIKANT GAMRE

ALOK KEJRIWAL
CO-FOUNDER & CEO, GAMES2WIN

SESSION: MINDGAME:ARE YOU THE BRIGHT SPARK!

CEO presents a business problem and throws the floor open for solutions

Alok Kejriwal is a serial entrepreneur who specialises in creating successful businesses and then selling them to the best buyers. He has been successful in building ventures in India, China and the US. In 1998, he created Contests2win, India's first online contest site. His mobile venture in China, Mobile2win, was one of the first to offer mobile competitions and promotions by pioneering a TV-to-mobile interactive platform. He founded Media2win, an interactive digital agency, in 2004. He co-founded Games2win, his fourth company, in 2007. He has successfully raised venture capital from some of the world's leading VCs such as SoftBank China, Siemens Acceleration, Clearstone Venture Partners and Silicon Valley Bank. The Rodinhoods, Kejriwal's social network for entrepreneurs, has earned him the nickname Alok 'Rodinhood' Kejriwal. His favourite quote is from *Star Trek*: "To go where no man has gone before..."

कुछ ख़्याल जो बदलेंगे देश का हाल

Aaj Tak presents Agenda Aaj Tak. A conclave where prominent leaders and opinion makers converge to reflect on the questions the nation is finding answers for. They will also put constructive ideas on the table to chart out the nation's future.

BRYS GROUP
A Rahul Gaur Enterprise

Presents

एजेंडा आज तक

4th & 5th December, New Delhi

blackpencilindia/Aaj Tak/0090-

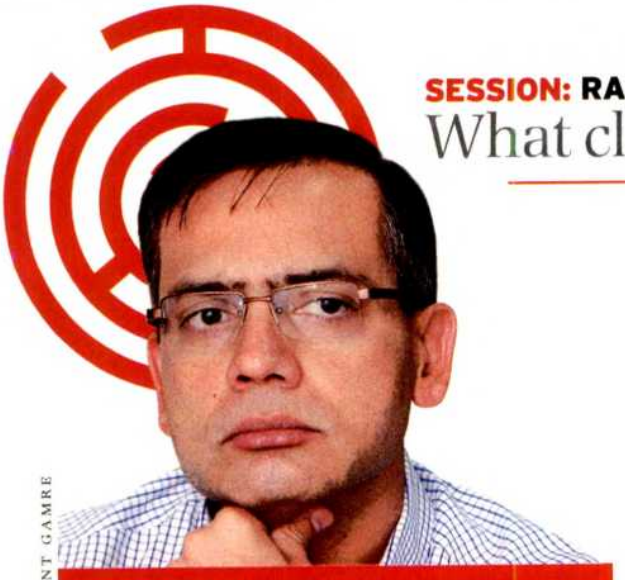
Associate Sponsors

Binani BRAJ BINANI GROUP | SYSKA LED LIGHT YEARS AHEAD | Kesh King Ayurvedic Medicinal Oil | AMUL MACHO | SHAKTI PUMPING LIFE

Snacks Partner: PRIYAGOLD, Italiano | Food Partner: BHARAT MASALA | Airline Partner: AIR INDIA | Hospitality Partner: MERIDIEN NEW DELHI | Print Partner: MAIL TODAY Read by those who matt

SESSION: RAPID FIRE ROUND

What clicked and transformed me



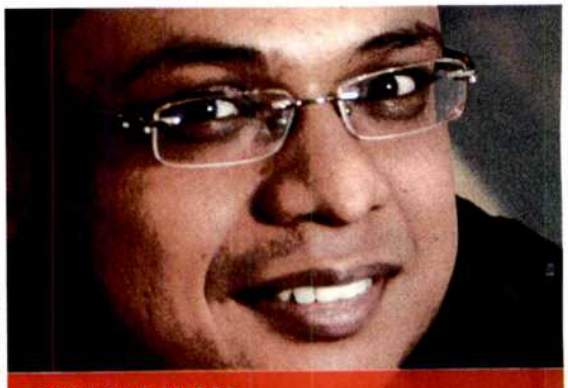
NISHIKANT GAMRE

DEEP KALRA
CHAIRMAN & GROUP CEO, MAKEMYTRIP.COM

Deep Kalra made instant travel reservations possible in India way back in 2000 at a time when waiting in queues to book tickets was the norm. MakeMyTrip.com, the company he founded, is now one of India's largest e-commerce businesses. In August 2010, MakeMyTrip became the first Indian travel company to list overseas after a successful initial public offering on NASDAQ.

Kalra studied economics at St. Stephens College, Delhi, and holds an MBA from the Indian Institute of Management, Ahmedabad. Having steered the company since its inception in 2000, Kalra took on the role of Group CEO in August 2013 to focus on strategy, mergers and acquisitions and international businesses.

Kalra has received many accolades over the years. He was named 'Internet Man of the Year' for 2010 by the Internet and Mobile Association of India. He won Ernst & Young's Entrepreneur of the Year-Business Transformation award in 2011 and was dubbed the Best Travel Entrepreneur of 2012 by TTG Asia.



DEEPAK G. PAWAR

SACHIN BANSAL
CO-FOUNDER & CEO, FLIPKART

In 2006, Sachin Bansal joined Amazon.com in India. It was around 2007 that the Internet economy in the country had really started buzzing. So, he quit Amazon and set up Flipkart, an online bookseller, with his friend Binny Bansal. By 2010, Flipkart had started selling other products and today it is the country's largest e-commerce company.

Having studied at IIT, Sachin is a technologist at heart and has used technology effectively to keep ahead in the game. In the pre-Flipkart era, e-commerce websites were poorly designed. Flipkart came up with a clean design, faster search, and personalised recommendations that wowed users. Today, the Bansals, who have focused obsessively on customer experience, joke that they are more of a technology company than an e-commerce entity. Whichever way you look at it, the customer still comes first.

SHEKHAR GHOSH

RIYAAZ AMLANI
CEO & MD, IMPRESARIO ENTERTAINMENT & HOSPITALITY

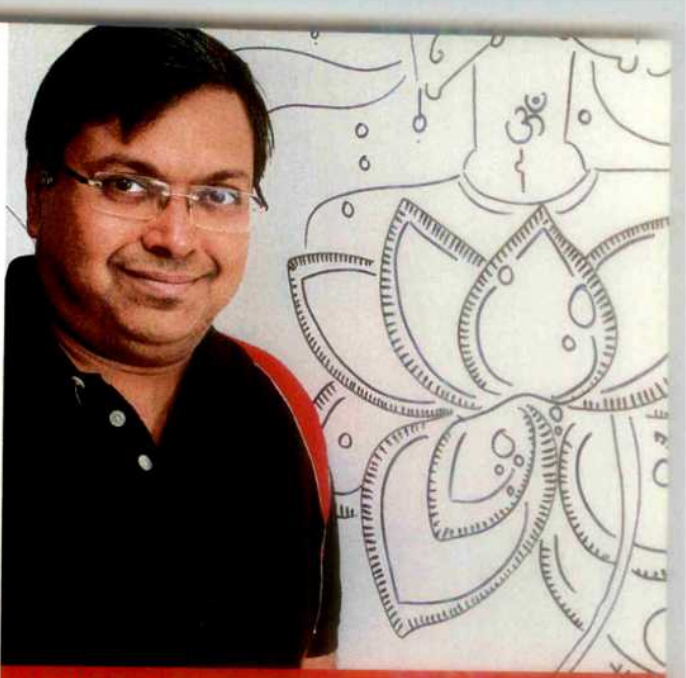
The graphic novel is Riyaaz Amlani's inspiration for setting ambience in his restaurants. American artist Frank Miller's frames and his spooky, edgy, brooding art in series such as *Sin City* is what Amlani tried to recreate in his Smoke House Grill. When Amlani listens to music, his mind wanders towards creating spaces where one could enjoy that music. This knack of creating environments has made his restaurants great hits with customers. From the Mocha near Churchgate in Mumbai, to Delhi's Smoke House Deli, his restaurants cater to students as well as well-heeled clients. Born in South Bombay's congested Byculla area, Amlani wants to create spaces in the city "to make the city more liveable".

Entrepreneurship literally runs in Sasha Mirchandani's blood. His father Gulu Mirchandani was one of the pioneers of India's colour TV industry, when he launched Onida in the early 1980s. Though he cut his teeth in his family business, Sasha, an alumnus of Strayer University, US, and IIM Ahmedabad, eventually chose to move out of the family business. While trying to raise funds for his data mining company Fractal Analytics, Sasha's association with the VC world began. He co-founded Mumbai Angels in 2006 and has till date done close to 60 deals as an angel investor. In 2011, he founded Kae Capital, a $25 million VC fund which invests in early stage companies. The fund has already invested in companies such as CloudByte and InMobi. Sasha, who claims to be sector agnostic when it comes to investments, hopes to take entrepreneurship to the next level.

RACHIT GOSWAMI

SASHA MIRCHANDANI
FOUNDER & MD, KAE CAPITAL

Amlani has more than 30 restaurants and cafés that serve over 12,000 people daily. That's a remarkable feat for someone who sold shoes as a teenager, and has been in the restaurant business for just 12 years. These days Amlani has been tweeting photos of gourmet food. He thinks Indian food can lend itself to gourmet cuisine, but he is focusing on casual dining because he believes people have little time these days. Despite owning some of the best-known restaurant franchises in the country, he says he is just a kid in a candy shop.



MANDAR DEODHAR

DEVDUTT PATTANAIK
CHIEF BELIEF OFFICER, FUTURE GROUP

SESSION: MYTHOLOGY & MANAGEMENT

Uncover the folds of conventional wisdom

Materialistic success holds little lure for Devdutt Pattanaik. "My parents were clear that wealth should not change lifestyle dramatically and this has stayed with me," says the man credited with bringing mythology into management practice.

Trained as a medical doctor, Pattanaik worked for 14 years in the health-care industry before joining consultancy Ernst & Young. He soon realised most managers believed in practising 'scientific management' principles. But life nudged him back to what he had read from old stories, mostly from mythology. He started drawing upon the linkages and presented them in a form that managers could identify with. Thus was born his book *Business Sutra: A Very Indian Approach to Management*, in which he says: "Belief shapes behaviour and behaviour shapes business."

Pattanaik turned his passion into his profession, to become Chief Belief Officer at Future Group. He has written 25 books and 400 articles on the relevance of mythology in modern times. He is a storytelling consultant for many TV channels, and adviser to the shows *Devon ke Dev Mahadev* and *Mahabharat*. His views on leadership and management on TV shows such as *Shaastrath* on CNBC Awaaz and *Business Sutra* on CNBC have made him a consultant for many companies. ◆

Talent Hunt

CEOs at *BT*'s breakfast meet in Bangalore agreed that despite its billion-plus strong population, India does not have enough productive people. By GOUTAM DAS

PHOTOGRAPHS BY NILOTPAL BARUAH

Power packed: (Standing, from left) Hari K. Marar of Bengaluru International Airport Ltd, *BT* Managing Editor Josey Puliyenthuruthel, Ajit Isaac of IKYA Human Capital Solutions, Aromar Revi of the Indian Institute for Human Settlements, Hari Vasudev of Yahoo! India, Target India's Navneet Kapoor, Wipro's T.K. Kurien, Mindtree's Krishnakumar Natarajan, AstraZeneca Pharma's Sanjay Murdeshwar, NVIDIA's Vishal Dhupar, Jeff White of Cisco India & SAARC, and TeamLease's Manish Sabharwal (Seated) India's first woman winemaker Karishma Grover, investor Meena Ganesh, Huvida Marshall of The Oberoi, Bangalore, Priya Chetty-Rajagopal of RGF Executive Search, iSPIRT's Sharad Sharma, and Sanjay Nayak of Tejas Networks

About one million Indians will join the labour force every month for the next 20 years. As such, that is good news for the economy. But demography does not always yield a dividend – to do so, the people concerned have to be productive as well. India, sadly, may not have enough productive people.

This was the broad conclusion reached by the 17 CEOs who discussed the problem at *Business Today*'s latest Power Breakfast, held on November 8 at The Oberoi, Bangalore. Over bacon, fried eggs, hot miso soup and much else, they analysed the issue of the country's young millions and the ever escalating skilling costs and wages. The discussion was anchored by *Business Today* Managing Editor Josey Puliyenthuruthel. The breakfast was hosted by Huvida Marshall, Vice President and General Manager, The Oberoi.

Manish Sabharwal, Chairman of staffing company TeamLease, set the tone by revealing some startling numbers. Four labour market variables, he said, remained what they were in 1991. Now, as then, manufacturing employed just 12 per cent of the workforce, while 90 per cent remained in informal employment. Around 50 per cent were self-em-

ployed 22 years ago – it was the same today. So too 50 per cent still remained in agriculture. "The transitions are not happening because there is a 'matching problem', that of connecting demand to supply," he said. "There is also a 'pipeline problem', of preparing supply for demand."

Preparing supply will remain a challenge because there is a market failure in skills. "We haven't aimed as high as we think at skilling. Skills are a limited domain. We should be thinking about how we raise entrepreneurs," said Sean Blagsvedt, CEO, Babajob.com. Added Sabharwal: "Employers are not willing to pay for training of candidates but will pay a premium for trained candidates. Candidates are not willing to pay for skills but will pay for jobs. Banks and microfinance institutions will not lend to a candidate for vocational training, nor to training companies."

Aromar Revi, Director, Indian Institute for Human Settlements, echoed Sabharwal. School education in India had improved in the last 15 years, he noted, but was still not providing people with job opportunities matching their skills, especially in manufacturing. "Our opportunity is in low-level, low-cost manufacturing. But our manufacturing is still concentrated in a few urban centres. Jobs are needed in northern and eastern India where manufacturing does not exist," he said.

It was not easy to set up manufacturing units in India because of a host of well-known problems – power shortages, horrendous logistics, inadequate water supply and lack of housing for workers. "Work opportunities have to be created in smaller places. For that you have to get your infrastructure policies right," Revi added.

Many agreed that India needed to concentrate more than it does on developing skills in manufacturing,

T.K. Kurien, CEO, Wipro

"Regular IT work is getting automated and there are geopolitical concerns – many countries want to generate more local employment"

Manish Sabharwal, Chairman, TeamLease

"Employers are not willing to pay for training of candidates but will pay a premium for trained candidates"

Sean Blagsvedt, CEO, Babajob.com

"We haven't aimed as high as we think at skilling. Skills are a limited domain. We should be thinking about how we raise entrepreneurs"

considering that some of the high-flying service sectors such as information technology (IT) were slowing down. T.K. Kurien, CEO at leading IT services exporter Wipro, warned there will be little good news for engineering students in the future. "Regular IT work is getting automated and there are geopolitical concerns – many countries want to generate more local employment," he said. This means fewer opportunities for Indians in the global IT industry. Sharad Sharma, Co-founder of product industry think tank iSPIRT, maintained India was peddling a myth – that it had a labour arbitrage opportunity at the low-end of the market. The problem was the low-end might entirely disappear. Jobs in the medical transcription industry, for instance, fizzled out because of automation.

Sanjay Nayak, CEO and Managing Director of telecom products company Tejas Networks, named two sectors where proper planning and skills development could lead to a huge number of new jobs – electronics and tourism. "We have a huge domestic market in electronics," he said. "We have to rally around it." If we did not, if things continued the way they were today, 10 years from now, India would have to import $300 billion worth of electronics – three times the size of the current IT industry.

Yet another promising sector was pharma. Sanjay Murdeshwar, Managing Director at pharma company AstraZeneca Pharma, said a large number of products would go off-patent globally in the next two decades. These could all be then produced by Indian pharma companies.

For India to seize such opportunities, however, policymakers need to get the curriculum right in vocational institutes and colleges. ◆

@Goutam20

MONEY

TRYING TIMES
THE RETAIL SEGMENT IS UNLIKELY TO SEE MUCH IMPROVEMENT IN THE IMMEDIATE FUTURE. BUT INDUSTRY PLAYERS HOPE FOR AN UPTURN AT SOME STAGE

An atrium in a South Delhi mall

VIVAN MEHRA

Beyond the Glitter

Planning to buy retail space in a mall? Think twice. By PRITAM P. HANS

Keep your shop and your shop will keep you." This saying from the island country of Jamaica holds true for modern retailers as well. The reason is simple. Rentals for shops in good locations are shooting through the roof. Does it make sense to buy retail space at this stage, especially when many experts are predicting slowing of demand from shoppers as well?

The retail segment saw a lot of leasing activity in main streets as well as malls in the first six months of 2013. Unlike the residential segment, which is facing a glut due to lack of buyer interest, India has limited quality mall spaces. However, there is excess supply of lower-rung malls. "When it comes to quality mall spaces, where shops are leased out, designs are optimal and the management does a good job of controlling brand mix and marketing, there is no glut. But when we talk of ill-designed malls that are strata sold and have poor managements, yes, a glut does exist," says Anshuman Magazine, Chairman and MD, CBRE South Asia, a property consultancy.

The retail segment is not likely to see any major change in the immediate future. However, industry players are hoping for an upturn at some stage. "Over the next year, we see little traction in the retail real estate segment, including mall spaces. However, the situation may change for the better over the long run. With the opening up of foreign direct investment in organised retail, the demand for new spaces is bound to rise," says Mohit Goel, CEO, Omaxe, a New Delhi-based developer. "Malls will definitely see capital appreciation over the next five years due to economic growth, rise in disposable incomes and a sizeable working population," he says.

According to property consultancy Cushman & Wakefield India, in the top eight cities (National Capital Region, Mumbai, Bengaluru, Chennai, Hyderabad, Ahmedabad, Kolkata and Pune), 64 per cent (13 malls) of the total space expected to become available in January to June 2013 was not delivered in time. Only three malls, with a total space of 2.94 million sq. ft., became operational in this period. The primary reason for delays was high construction cost and the liquidity crunch that developers are facing. Also, retailers are cautious about opening stores, which means it is not easy to find tenants. Still, although construction of a number of malls has been delayed, the three that did become operational in January to June – one in Mumbai and two in Chennai – have more than 95 per cent occupancy.

As for rentals and capital appreciation, the performance of retail spaces has been mixed – from decline in some pockets to decent double-digit growth in some. According to Cushman & Wakefield India, rentals rose nine to 18 per cent in some micro-markets such as Vashi (Navi Mumbai), Chennai-Peripheral (South) South Delhi and Salt Lake (Kolkata) and South Kolkata in the June quarter. The change was driven by new leases at higher rentals as the demand remained robust.

On the other hand, rentals in NTR Gardens, Hyderabad, fell 17 per cent due to low demand. Chennai's Western suburbs saw a five per cent fall due to a different reason – reduced

Slow and Unsteady

Mall growth has slowed. Hardly any luxury malls, in particular, are being built

	Current Mall Space		Upcoming Mall Space	
	Overall	Luxury	Overall	Luxury
AHMEDABAD	4.56	None	0.00	None
BANGALORE	7.00	0.09	4.36	None
CHENNAI	4.92	0.03	2.66	None
HYDERABAD	1.36	None	3.28	None
KOLKATA	3.25	None	1.49	0.44
MUMBAI	16.77	0.30	1.40	None
DELHI-NCR	22.21	0.35	10.63	None
PUNE	5.82	None	2.19	None

Figures in million sq. ft. as on June 2013
Source: Cushman & Wakefield India

footfalls due to ongoing construction activity in the area that made traffic movement difficult.

The rise in rentals in most locations is uncertain due to poor economic sentiment. "The next year may be crucial in view of the prevailing economic uncertainty. Having said that, established high streets and malls may see a rise in rentals in the medium term due to limited supply and steady demand," says Magazine of CBRE South Asia.

Though growing fast, organised retail accounts for a small part of the total retail business. It is also limited to big cities. "When compared to other markets, especially the West, India's retail segment is yet to reach the mature stage. The Indian market does not have the required depth, which makes it less lucrative for developers," says Srinivasan Gopalan, Chief Financial Officer and Chief Operating Officer of Wadhwa Group, a Mumbai-based real estate company. According to Cushman & Wakefield India, retail mall stock is expected to rise 27 per cent by 2015. At present, India's top seven destinations (Mumbai, NCR, Bengaluru, Chennai, Hyderabad, Kolkata and Pune) have around 65 million sq. ft. of operational mall space.

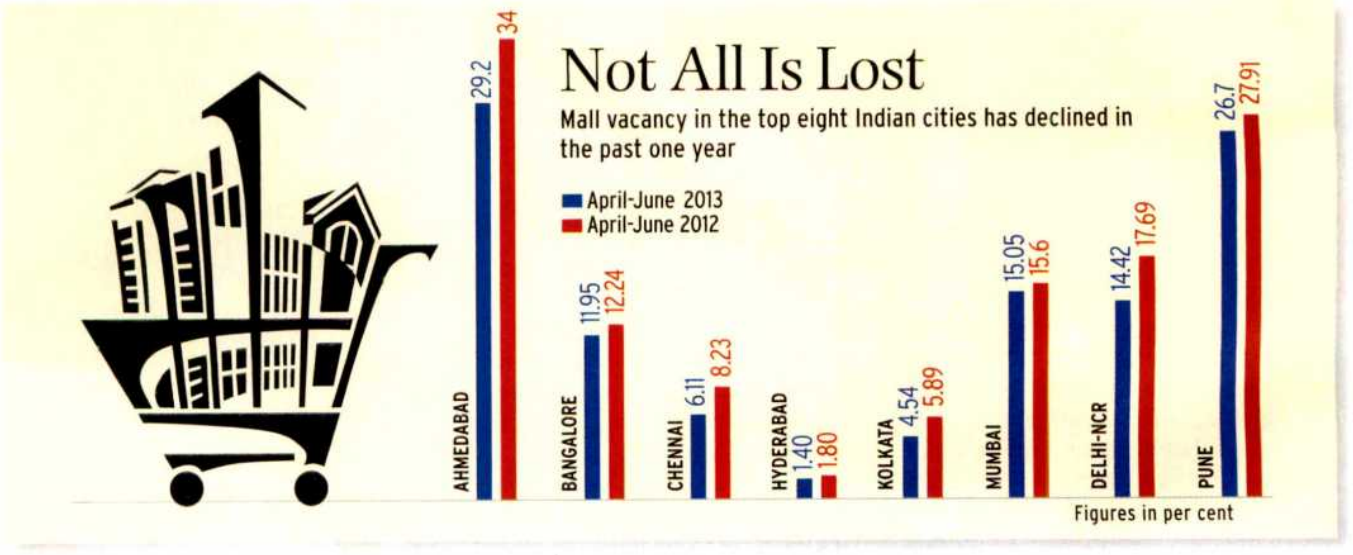
The organised retail market is yet to fully develop even in the major metro cities. For instance, Mumbai fares poorly compared with the NCR.

Still, some state capitals and small towns are also embracing organised retail. Quality malls can now be spotted in places such as Amritsar, Ludhiana, Agra, Rishikesh, Lucknow, Patna and Bhopal as well. Many industry players are optimistic about the future of organised retail in small towns. "Infrastructure in Tier-II and Tier-III cities is being developed to attract investment in retail, banking and corporate sectors. Disposable incomes are also on the rise. People, too, are becoming more and more brand conscious," says Goel of Omaxe. The growth of organised retail and related real estate is expected to get a boost when the government eases rules further and attracts FDI. "Due to the rise in the cost of space in metro cities, many brands, both domestic and global, are looking at Tier-II and Tier-III cities," he adds.

Does it make sense to buy properties in malls to lease them out to big retailers? If a developer is selling single shop units without proper mall management in place, buying a unit from him would be a recipe for disaster. So, many developers prefer to stay away from strata-selling or sale of small units to a large number of people. Instead, they are leasing out spaces to retailers, while retaining ownership and management. Some are selling stakes or large spaces – say, entire floors, – to investors. "It is usually not advisable to buy retail space in malls, whether in Tier-I or Tier-II locations. The way forward is leasing out the space," says Magazine of CBRE. "When a mall space is viewed primarily as a real estate asset, it seldom ensures long-term capital appreciation." In the lease model, both tenants and developers are stakeholders and work for the success of the mall.

After looking at the plight of strata-sold malls, developers in Tier-II cities have also adopted the lease model for their malls. However, if you are still tempted to earn regular rental income of 10 per cent per year and want to invest in a shop available in a mall, make sure that it is under professional management that is capable of making it a viable marketplace. ◆

Courtesy: *Money Today*



Save up to 57%* plus Get a Tool Se

TIME, the world's most respected weekly newsmagazine, is trus for its insightful and reliable reporting on global events, politics, technology, education and more. TIME speaks authoritatively or interests and concerns in Asia and the world. In today's fast-pa provides a clear, concise and forward-looking take on the world most of your TIME.

Subscribe to TIME now and receive your FREE Tool Set.
The Tool Set includes:

- 4 Hex Wrenches
- 1 Knife
- 1 Cutting Plier
- 1 Water Pump Plier
- 1 PVC Tape
- 1 Level
- 9 1/4" Dr. Socket
- 1 Screwdriver Handle
- 11 Bits in a Plastic Holder
- 1 Claw Hammer
- 2 Screwdrivers
- 4 Precision Screwdrivers
- 6 Combination Wrenches
- 65 Fasteners

Best of all, this Tool Set is yours absolutely FREE when you subscribe now!

What's more, here are your other benefits:

1. **Save up to 57% off the cover price**
2. **Free Delivery to your home or office**
3. **Celebrated Annual Issues** – TIME 100, Journeys, Best Inventions and Person of the Year
4. **Money Back Guarantee** – You must be completely satisfied or you'll receive a full refund for all unmailed issues
5. **TIME All Access** – Enjoy the print magazine, iPad® edition and subscriber-only content on TIME.com, including the 20th century archive
6. **24-Hour Customer Service** – You can manage your subscription 24 hours a day at www.time.com/asiacustomerservice
7. **Bonus Gift** – If you subscribe for two years or more, you'll receive an extra mystery gift absolutely FREE!

FREE GIFT(S) AND SAVINGS FORM

YES! Please send me TIME for the term I've indicated below. I'll also have access to the iPad edition and subscriber-only content on TIME.com

Best buy!

- ☐ 162 issues for a total of ₹8,262 - only ₹51/issue
- ☐ 108 issues for a total of ₹5,616 - only ₹52/issue
- ☐ 54 issues for a total of ₹2,862 - only ₹53/issue
- ☐ Please send me a Tool Set as my FREE gift. If I subscribe to a 108 or 162 issue term, I will also receive a Bonus Mystery Gift.

Name (Mr./Ms.) _____

Address ☐ Home ☐ Office _____

_____ Pos

Tel (H/O) _____ Mobile _____ Fax _____

Email _____ ☐ New ☐ Renew _____ (Ple
(Provide to receive order acknowledgement and online plus iPad access)

Choose one:

☐ Charge my credit card: ☐ VISA ☐ MasterCard ☐ ☐ (Debit cards are not accepted)

Card No. _____ Expiry ____/____ Signature _____

☐ Enclosed is my ☐ Cheque ☐ DD No. _____ (Payable to LM A/C TIME. For non-Delhi cheques ple

BT 22 DEC 13

By subscribing to this offer, you agree to allow Time Singapore (Pte) Ltd/Living Media India Ltd to call/SMS you even if you have blocked UCC in the NCPR. If you do not agree, please tick this box. ☐ Please tick if you prefer not to receive promotional materials from Time Singapore (Pte) Ltd. ☐ Occasionally, Time Singapore (Pte) Ltd. may make your name, postal address and/or email available to third parties for mutual benefit. If you do not consent to receive third party offers, please tick this ☐ * on the 162 issue term. Please allow 6-8 weeks for delivery of your first issue and gift once payment has been processed. Rates and offer valid in India until December 31, 2013 only. If no term is indicated minimum will be served. Gift stocks are limited. If free gift is unavailable, it may be replaced with an item of greater or equal value. Your subscription will be hand delivered by courier in Delhi, Mumbai, Kol Chennai, Hyderabad, Pune, Ahmedabad and Chandigarh and by mail to other destinations. All enquiries to be addressed to Living Media India Ltd. directly. TIME's cover price is ₹120. Savings are off the c price. TIME Asia publishes five double issues. Each counts as two of 53 issues in an annual subscription. TIME Asia may also publish occasional extra issues. All disputes subject to the exclusive jurisdict competent courts in Delhi only. For subscription related queries, please call (0120) 2479943, fax (0120) 4078080 or email to timecare@intoday.com. Orders from India are subject to acceptance by Time Sing (Pte) Ltd, 152 Beach Road, #24-05/08 Gateway East, Singapore 189721. Time Singapore (Pte) Ltd is not liable for any custom duty or tax incurred in connection with the subscription. iPad is a registered trademark of Apple Inc. registered in the U.S. and other countries.

4 EASY WAYS TO SUBSCRIBE

(0120) 2479943 | (0120) 4078080 | timecare@intoday.com

(For security, please never send credit card information via email)

Living
A - 61,
Noida

BOOKS 117 CAREERS 120 PEOPLEBUSINESS 126

Freedom SONG

ally, non-film music is becoming lucrative in our Bollywood-crazy nation

By AJITA SHASHIDHAR

Big names such as David Guetta and Avicii – global giants of electronic dance music (EDM) – were dislodged from the top spot on India's iTunes dance charts in July by home-grown band Lost Stories. Band members Rishab Joshi and Prayag Mehta have done remixes for Grammy nominees Mark Schulz and Andy Moor. Joshi and Mehta's first single, *False Promises*, was promoted by famous Dutch DJ Tijs Verwest, better known as Tiesto, under the Black Hole Recordings label. The duo recently signed a three-album deal with Contraband, a joint venture between Universal Music, VH1 and Hard Rock Cafe which is a launch platform for independent musicians such as 22-year-old Joshi and 26-year-old Mehta. Their first album, *Music for the # Generation*, was released in July this year.

The money is not to be sneezed at. Mumbai-based Joshi and Mehta say they play at least four gigs a month, and make anywhere between ₹75,000 and ₹3 lakh in an evening. True, they are among the top in their niche in the country, but others are well paid, too. Mumbai-based alt rock band Color Compound, formed in 2009, makes ₹25,000 to ₹30,000 an evening, and does at least four to five gigs a month. Frontman Bradley Tellis says he and his three bandmates play regularly at music festivals such as Raagastan, Live On the Console and NH7 Weekender.

Bollywood accounts for more than 90 per cent of the revenues of the country's ₹10.6-billion pop music industry, but non-Bollywood music is becoming serious business. Just five years ago, a music career would have seemed impossible to Tellis, Joshi or Mehta. "When we started five years ago, though there was interest in our kind of music, thinking about it as a career was a far cry," says Mehta.

Tellis, Creative Director at live events company Oranjuice, says a music career is still a risk, though that is changing. "There is definitely light at the end of the tunnel," he says. "More and more people are able to make a lucrative career out of music."

The number of bands making a living by playing non-film music – rock, Indipop, metal, jazz and the like – has risen from 10-15 in 2007/08 to more than 60 today. There are more than 60 venues in metro cities, says Sony Music's Managing Director Shridhar Subramaniam, where live music is played. On average, more than 600 shows are held around the country each month, not counting college festivals and events such as Sunburn and NH7 Weekender.

For example, Mumbai-based prog rock band Coshish has been playing on the college and festival circuit since 2006. Its first album, *Firdous*, released by Universal Music in September, was already among iTunes's top 10 most downloaded albums in India in a couple of months.

"Independent music has come of age – it has become serious business," says Devraj Sanyal, Managing Director of Universal and CEO (South-Asia) of EMI. He says that for the past three years, almost half of Universal's revenues have been from non-film music. "Earlier, almost 80 per cent of our revenue came from old Bollywood songs. Non-film was never our focus," he adds.

So what triggered this change? Perhaps the biggest reason is live music festivals such as Sunburn and NH7

PHOTOGRAPHS BY NISHIKANT GAMRE

Jaishree Bhatija
Vocalist, Soulful Melody

"I wouldn't mind a career in playback singing, but I'm happy with the shows that I am doing"

ON SALE NOW!

HBRSASIA.ORG SOUTH ASIA

Harvard Business Review

DECEMBER 2013

54 Big Data
Analytics 3.0
Thomas H. Davenport

62 Talent
How Google Sold Its Engineers on Management
David A. Garvin

88 Competitive Advantage
When Marketing *Is* Strategy
Niraj Dawar

Grab Your COPY TODAY!

How effective executives direct their own—and their organizations'—attention

FOCUSED LEADERS

DANIEL GOLEMAN PAGE 42

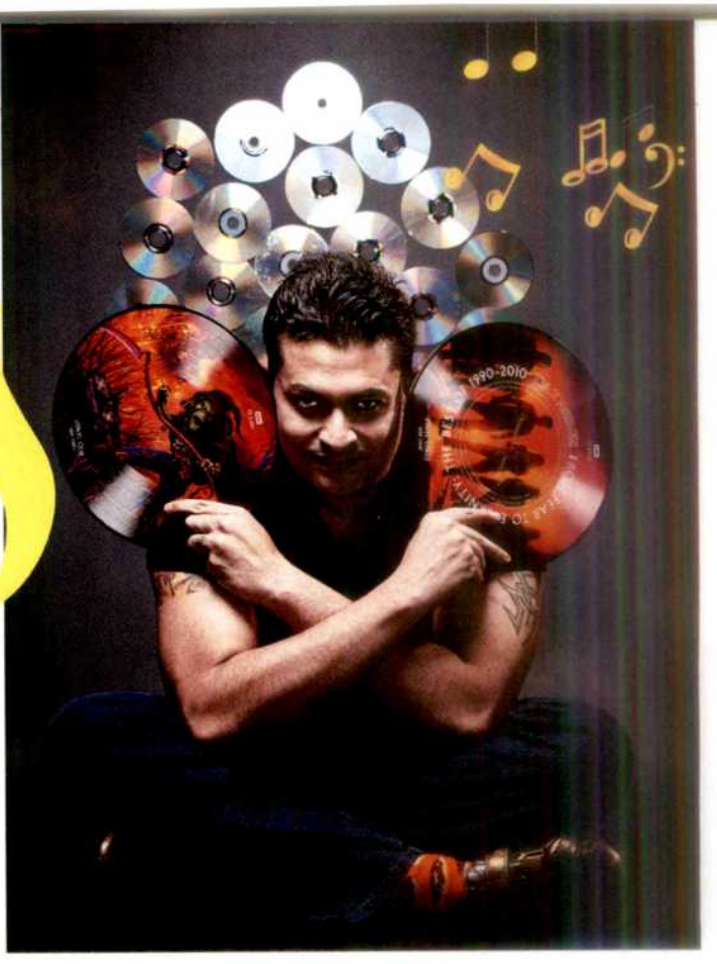
India	₹750
Bangladesh	Taka 1,250
Bhutan	Ng 775
Myanmar	K 110
Nepal	N Rs 1,250
Sri Lanka	Rs 1,800

4 easy ways to subscribe

hbrcare@intoday.com | www.hbr.org | (0120) 2479945 | SMS HBRSA to 52424

"Independent music has immense potential. We are now pushing it like a monster"

Devraj Sanyal
MD, Universal Music



Weekender. Sunburn happened by chance, says Harindra Singh, Managing Director of Percept Holdings, the entertainment company that started the annual event. "We had done lots of music shows before, and when my team came up with the ideas of Metal Fest and Sunburn, the former made more sense to me. We even got sponsors for the Metal Fest. My team told me Sunburn was all about EDM, and I had no clue what that was." Though the company lost money on both, Sunburn has survived the test of time, becoming the country's largest live music festival with revenues of ₹75 crore last year. Singh is confident about making it a ₹150-crore property this year. The festival has not only brought big names such as the Swedish House Mafia to India, but has also given local talent an opportunity.

Vijay Nair, CEO of Only Much Louder, the company that organises NH7 Weekender, says his festivals have gone beyond showcasing talent to create a music ecosystem of sorts. It helps that people are increasingly willing to spend for such events, he adds. He says NH7 Weekender in Pune in October drew 10,700 people over three days, compared to 2,000 when the event started in 2010. This, despite daily ticket prices being raised from ₹1,500 to ₹2,500, and three-day ticket prices going from ₹3,000 to ₹3,750.

"Our revenue this year has shot up by 35 per cent," he says. He adds that hotels and restaurants in the host city also get a revenue boost from the festival. "Over 10,000 room nights were booked in Pune during the festival, and clubs in and around the festival venue did sales close to ₹30 lakh that weekend, as opposed to ₹4-5 lakh during regular weekends," he says.

Besides festivals, venues such as Hard Rock Cafe (India has four) and blueFROG (one each in Mumbai and Delhi) have helped non-Bollywood music grow in India. Almost 70 per cent of these clubs' revenue comes from food and beverages, but the bands get a platform and customers get to hear independent music performed live. Simran Mulchandani, CEO of blueFROG, says his Mumbai club attracts nearly 10,000 visitors a month. It features live bands nearly every day, charges an entry fee of ₹300 on weekdays and ₹600 on weekends. If the artist is a big

Ashutosh Pathak
Founder, True School of Music

BASS CAMP

Increasingly, venues and events are supporting musicians. But there are few places to learn music. Non-film composer Ashutosh Pathak is trying to change that with his True School of Music, founded in Mumbai in September. It has partnered with schools in the US and UK to offer training in jazz, rock, the blues, and DJ'ing. It has already enrolled more than 100 students. Fees range from ₹6,000 a month to ₹6 lakh for an 18-month course.

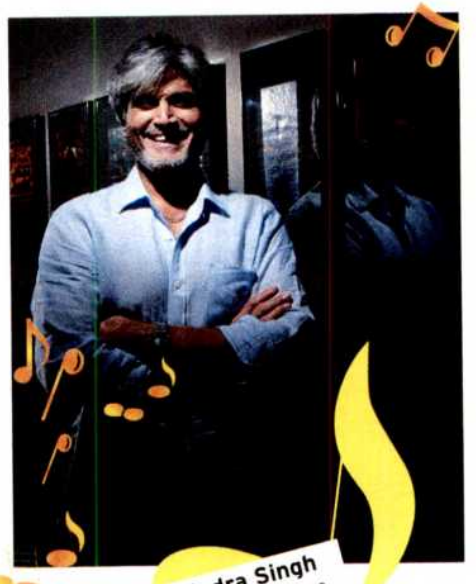
name, entry could cost as much as ₹2,000. For Dutch trance music producer Armin van Buuren, the ticket price was ₹5,000. "Indians are willing to pay for good music outside of films and this has led to the growth of the non-film music economy," says Mulchandani. The investment-banker-turned-entrepreneur's Delhi club hasn't done too well, but that hasn't stopped Mulchandani from planning to open clubs in Pune and Bangalore.

Tabla player Bickram Ghosh says that contrary to the industry's perception that Bollywood is Indian music, live shows are what sustains artists. "I played pure classical music for 15 years in the late 1980s and early '90s, and that was lucrative. Things are far more lucrative now, with more avenues opening up and more people appreciating independent music." Ghosh says that in the last few years his fusion band, Rhythmscape, has averaged six or seven shows a month.

The popularity of independent music is not limited to international genres. Indian folk, classical, Indipop and ghazals are also part of the surge. Soulful Melody, a five-member band based in Mumbai, makes a living out of folk songs, ghazals and bhajans in Hindi, Marathi, Sindhi and Urdu. The band is booked nearly every weekend, and makes ₹35,000 per event. "I wouldn't mind a career in playback singing, but I'm happy with the shows that I am doing," says lead singer Jaishree Bhatija.

Another example is Sant Gurmeet Ram Rahim Singh Insaan, a spiritual singer from Haryana, who has sold over 75 lakh CDs, says Universal's Sanyal. He adds: "Independent music has immense potential. We at Universal are now pushing it like a monster."

Music companies can't afford to overlook independent music any longer, says Sony's Subramaniam. The company's Day 1 Entertainment division releases and promotes independent albums. Together with Oranjuice, it features first-time bands – typically college bands on the lookout for a commercial platform at its event Live On The Console, held every two months at Mehboob Studios in Mumbai. "We use this as a platform to pick up good talent and then groom it into successful bands."



Harindra Singh
MD, Percept Holdings

"Sunburn is the tip of the iceberg. There is a youth population of around 500 million"

Hungama Digital, the largest online aggregator of Bollywood music, does this online, via its platform ArtistsAloud.com, which promotes only independent music talent. The portal has launched more than 200 artists in its four-year existence. Business Head Soumini Shridhara Paul says it is not yet profitable, but adds that her company is serious about this business, given its immense potential.

The downside is lower, too, in the independent music business. Acquiring Bollywood music content can cost between ₹50 lakh and ₹12 crore, but the most expensive non-film content would cost under ₹1.5 crore. "Ninety out of 100 films don't make money," says Universal's Sanyal. "If I do 30 non-film albums a year, chances are that only three or four may not work."

However, live shows are not an easy business, and most stakeholders aren't making money. Organising an event as large as Sunburn Goa costs $4-5 million. Big-name artists alone cost half a million or more each. Sunburn Goa, despite selling over 16,000 tickets (prices ranged from ₹3,000 to ₹9,000) last year, has yet to turn a profit. "We want to first drive up the total number of visitors and get to new cities," says Singh of Percept. "We will start driving profits by 2015/16."

Though costs are a concern, organisers and advertisers see too much potential to be daunted by them. Oranjuice is looking at creating an EDM event called UXX, targeted at consumers under the age of 20. "This is going to be a non-alcoholic venue," says Owen Roncon, Director, Oranjuice. He adds that the company is in talks with telecom and consumer product brands to support the event.

Percept is launching another format, called Bollyboom, which will feature EDM with a tinge of Bollywood. "Sunburn is the tip of the iceberg," says Singh of Percept. "There is a youth population of around 500 million, which only relates to Bollywood."

Could independent music outsell Bollywood? It will never do that, says Nair of Only Much Louder. "Our subset is about 10 million people. It may go up to 30 million. Bollywood's target will always be one billion." ◆

@AjitaShashidhar

WAVE
PRESENTS

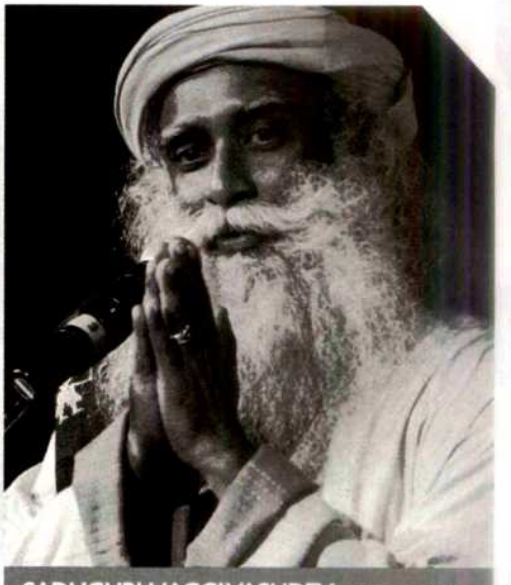
business today
MIND RUSH

POWER YOUR BUSINESS WITH AGE-OLD WISDOM

MYTHOLOGY MAESTRO

DR. DEVDUTT PATTANAIK, Future Group

THE ENERGIZER



SADHGURU JAGGI VASUDEV, Isha Foundation

DECEMBER 13TH & 14TH, 2013
THE OBEROI, GURGAON

REGISTER NOW

www.businesstodaymindrush.com

LIFESTYLE PARTNER
SWAROVSKI ELEMENTS

BESPOKE GIFT PARTNER
DA MILANO

DIGITAL OOH TV PARTNER
OOH MEDIA

CALL +91 120 480 7100 Ext. 3272

EMAIL btmindrush@intoday.com

facebook.com/BusinessToday

twitter.com#mindrush

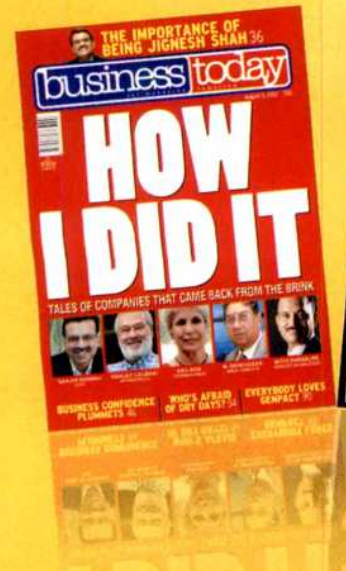
linked.com/company/business-today

business today
FOR MANAGING TOMORROW

INDIA TODAY GROUP

Stay Ahead

Subscribe and Succeed with Business Today



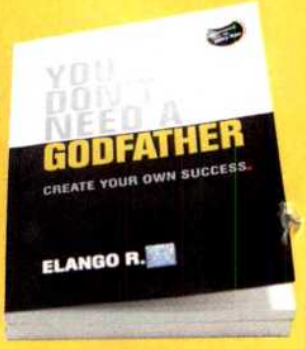
Business Today: A 10,000 Ft, 360 Degree View offers

- Deep insights into the **CORPORATE WORLD**
- Exclusive Interviews with **TOP BUSINESS PERSONALITIES**
- **SPECIAL FEATURES** that mine data to analyse a range of topics
- All the latest **TRENDS and EVENTS** in the world of business and economy

SUBSCRIBE FOR 2 YEARS AT ₹1995/-

Save 23%

+ A Book FREE



Term	No. of Issues	You Pay (₹)	You Get
2 Years	52	~~2600~~ 1995/-	Save 23% + Get a Book FREE
1 Year	26	~~1300~~ 1095/-	Save 15% on the Cover Price

Best Buy

Please fill in the form and send it us at the address mentioned below

Business Today Subscription Form

Send form with your payment to LIVING MEDIA INDIA LTD., A-61, Sector 57, NOIDA-201301 (U.P.)

Yes! I would like to subscribe for:

☐ 2 Years (52 Issues) : Pay ₹ ~~2600~~/- ₹1995/- Save 23% + Get a Book FREE! Best Buy

☐ 1 Year (26 Issues) : Pay ₹~~1300~~/- ₹1095/- Save 15% on the Cover Price

BT22Dec13

Name..... Address.....

.....City.....

Postal Code.....Tel./Mobile.....E-mail.....

Payment Details:

☐ Charge my Credit Card ☐ VISA ☐ ☐

Card No.....

Expiry.....Signature.....

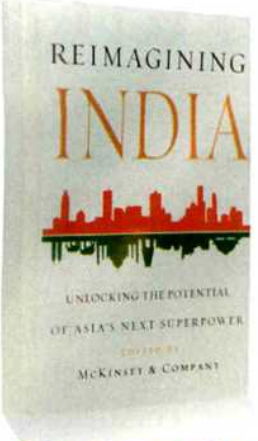
Payment Enclosed: ☐ Cheque ☐ DD No.....(in favour of Living Media India Limited. For non-Delhi cheques, please add ₹ 50/-)

Subscription Terms & Conditions: This authorises us to communicate about our products & promotions through mail/phone/printed material/email etc. This authorisation is irrespective of my instructions elsewhere of not to be contacted or informed over phone/email/mail etc. Cover Price of BT is ₹ 50. Special Rates and offer valid in India only for a limited period. Allow 3-4 weeks for processing of subscription. Your free gifts will reach you in about 6 weeks of commencement of your subscription. The images shown here are indicative, actual product may vary. Add Rs. 50/- for non-Delhi cheques. Superscribe your name and address on the reverse of the cheque/DD. All disputes are subject to the exclusive jurisdiction of competent courts and forums in Delhi/New Delhi only. Business Today can revise this offer any time at its discretion without any prior intimation. Subscription can not be cancelled once the free gifts are dispatched. T&C apply.

To Subscribe - Email: wecare.bt@intoday.com or Call Toll Free No : 1800 1800 100 or (0120) 2479900

A *Smörgåsbord* of Thoughts

Essays by 60 authors prescribe what should be done, but fail to explain why it is not done



Reimagining India: Unlocking the Potential of Asia's Next Superpower
Edited by McKinsey & Company
Simon & Schuster
Pages: 432; Price: ₹699

This book is a *smörgåsbord* of 60-odd essays about India. It is the result of leading management consulting firm McKinsey & Company deciding to do a reprise of its *Reimagining Japan: The Quest for a Future that Works* (2011), on the completion of 20 years of its India practice. McKinsey could not have picked a better time as the world and Indians themselves ask questions about whether this country will ever realise its promise.

The book's strength is its tremendous range and the diversity of its authors and themes. Contributors range from Eric Schmidt to Madhav Chavan, Naveen Tewari to Suketu Mehta, Nitin Nohria to Viswanathan Anand, Mallika Sarabhai to Bill Gates, Edward Luce to Mukesh Ambani, and Suhel Seth to Vinod Khosla, to cite a few. It is an amazing anthology of experiences, thoughts and insights about India that has likely never been attempted before.

Essays are organised into six sections that include politics and policy, business and technology, hard and soft infrastructure challenges, culture and soft power, and much more. In addition, there is an opening chapter on India's identity, and a closing one on India's place in the world. With every essay you are invigorated enough to want to move on to the next, in anticipation of finding something new and different – forcing you to mentally shift gears as well each time, but also allowing you to savour a new thought or an "inside story" you never knew – much like tasting the variety of items in a traditional *thaali*.

All the authors take great pains to explain the context of India and how we got where we are. That in itself is valuable. A certain commonality is visible in their view of the country's past – its origins, its sense of being a civilisation, its colonial and Mughal legacies, its freedom struggle, its democracy experiment. There is consensus as well about how it has stayed together as one country, the struggle for survival as a new nation, the border wars, the Indira Gandhi years, the economic reforms, the rise of the states, the mobile and IT booms. The demographic dividend, the attitudes of the youth, the consuming middle class, and the untapped potential of the country are taken up too.

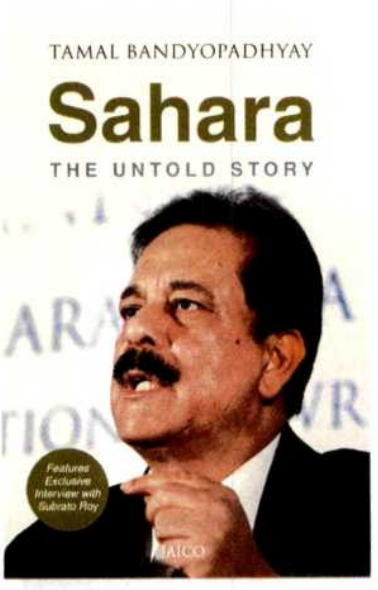
So are all the country's problems looked into? The challenges of governance, inclusiveness, health, education, the environment, sustainability, security, infrastructure and urbanisation show up again and again. It is interesting to read different takes on the same issues – they are diverse, elegant and insightful. Of course, every essay also makes a case for what needs to happen or to be done to realise India's potential.

What I found most interesting and charming was that some of the essays were also sometimes personal. When Howard Schultz writes emotionally about Starbucks' entry into India, or Kumar Mangalam Birla recounts the story of introducing non-vegetarian meals at his cafeterias as his group went global, or Rohini Dey talks about leaving her "brand name" PhD and job to start a restaurant *dhanda*, it is fascinating to read. These essays are as much about their authors as about their views on India. Overall, the essays are optimistic and inspiring.

In the end, while they all exhort, expect, hope that India must, should, could, needs to do what it takes to unlock its potential, they really don't address the nub of the issue – why this it not happening and how it can be made to happen. ◆

PRAMATH RAJ SINHA
The reviewer is Founder & MD, 9.9 Media

The book's strength is its tremendous range and the diversity of its authors and themes... The authors take great pains to explain the context of India and how we got where we are



Sahara: The Untold Story
By Tamal Bandyopadhyay
Jaico

A Power Called Sahara

Financial writer Tamal Bandyopadhyay's second book is on the country's largest employer after the Indian Railways – Sahara India Parivar. With its primary business in the loosely regulated residuary non-banking business, Sahara and its Chairman Subrata Roy have courted both glamour and controversy. Bandyopadhyay's book, Sahara: The Untold Story, *is rich in detail, anecdotes and context. Edited excerpts from the book releasing in January:*

Of all the meetings [Subrata] Roy has had with Sebi and the Reserve Bank of India chiefs over the past decade about his companies accessing public money, whether in the form of deposits or debentures, he would probably best remember his encounter with C.B. Bhave, [current chairman U.K.] Sinha's predecessor at Sebi. Bhave had put his foot down on clearing the draft red herring prospectus of Sahara Prime City Ltd. This had snowballed into the biggest ever crisis for Roy's empire that he had built brick by brick over 35 years.

One afternoon in June 2010, following normal practice, Roy was ushered into a meeting room adjacent to the Sebi chairman's room on the seventh floor of Sebi Bhawan, the headquarters. According to Sebi insiders, their conversation went something like this:

Roy: The Reserve Bank has prejudiced Sebi officers. They are taking a negative view on Sahara's (initial public offering) application without justification.

Bhave: What's the issue? They are yet to get information they had asked for. Where's the bias? Submit the information. We can have another meeting on this...

Roy: We have taken legal opinion and we are not required to send the information to Sebi.

Bhave: Sebi is not concerned about the legal opinion. Sebi has asked for the information and it needs to be submitted.

Roy: They are voluminous... It's summer and many of my people have gone on leave. It's difficult to collate all information.

Bhave: Let the employees come back from their summer holiday. We will wait.

Roy: If you can clear the application meanwhile...

Bhave: No, no... That can't happen. We need to scrutinise...

C.B. Bhave
Ex-Sebi chief

Roy (suddenly standing up): *Bus, itna hi?* (That's all?)

(He had possibly expected the Sebi chief to hint at a way out after Sahara had exerted much pressure on the regulator, but Bhave seemed unperturbed.)

Bhave: *Maine jitna bola kafi hai ... Aur kuch bolu?* (I have said enough. Should I say more?)

Roy didn't utter one more word; he stood up, greeted Bhave with folded hands in the gesture of a *Namaste*, and left. The meeting lasted about 15 minutes, over a cup of tea.

Indeed, the [Sahara] records were voluminous. Almost two-and-a-half years and a protracted legal battle with the market regulator later, on 10 September, 2012, a truck with Uttar Pradesh registration (UP-32-CZ-7837) carried aluminium cartons containing documents to the Sebi office at Bandra Kurla Complex. [That was only the first] of 127 trucks that would ferry the documents in 31,000 cartons, unheard of in India's corporate history.

Initially, Sebi did not allow the trucks inside its premises and was unwilling to accept the documents beyond office hours or in installments. The Supreme Court deadline set for supplying the data to Sebi had expired on 10 September.

The Supreme Court had on 31 August, 2012 directed two Sahara companies – Sahara India Real Estate Corp. Ltd and Sahara Housing Investment Corp. Ltd – to refund to investors in three months all the money they had collected by selling optionally fully convertible debentures, or OFCDs, decisively ending a three-year tussle between the regulator and Sahara in favour of Sebi.

India's highest court had upheld the order of the market regulator and that of its appellate tribunal directing the two firms to refund the money after accusing them of violating regulatory norms by raising money through the debentures from the public in the guise of private placements.

Sahara in a 12 September statement said the documents had been stored in warehouses in Lucknow, the place of Sahara's headquarters and the capital of Uttar Pradesh. A few trucks left Lucknow on 7 September carrying the first consignment of papers but they were delayed due to monsoon rains and couldn't reach the Sebi office in Mumbai before the deadline expired.

Assuming that each of Sahara's 30 million investors – that's equal to the population of Malaysia – had just one A4 size document each to account for their investments in Sahara's debentures, the papers stacked up in a pile would be 3,800 metres tall, or 52 times the height of the Qutub Minar.

The documents are stored at the office of Stock Holding Corp. of India Ltd (SHCIL) House, at Mahape, Navi Mumbai. It's one massive building spread across five acres – one kilometre away from the Thane creek hazardous waste disposal facility. The vast storage space at SHCIL was built to store share certificates. It used to buzz with activity until the mid-1990s, when Sebi introduced dematerialisation of shares – for holding securities electronically – after a duplicate share scam hit the Indian market. With a 3.2 million cubic feet of storage capacity spread over four floors, SHCIL has four bays – each 12.2 metres high, 100 metres long, and 15 metres wide. Through the use of robotics, SHCIL is able to locate any document in just three minutes and deliver it at a client's office in Mumbai within hours and outside the city in 24 hours.

Over 100,000 square feet of storage facility is maintained three floors below ground. For days, at 9.30 am, migrant labourers called *dehadis* unloaded the Sahara cartons from the trucks and took them to the ground floor of the storage unit. The cartons were sent to the underground facility through conveyor belts where robots arranged them. The scanning room is on the second floor of the building. After the documents were scanned, they were kept in labelled metal trunks. Twenty labourers worked day and night for eight days to move the Sahara boxes to the ground floor unit.

Assuming that each of Sahara's 30 million investors had just one A4 size document each to account for their investments, the papers stacked up in a pile would be 3,800 metres tall

SHCIL's task appeared difficult but that's nothing compared with what Sebi might have let itself in for.

The regulator needed to check whether the documents were genuine, for which it could hire experts, consultants and even investigators. The process was painful. There is, for instance, an investor by the name Kalawati. The document related to her doesn't list the names of her father or husband. Her address doesn't include a door number, street or locality. The name of her agent is given as Haridwar which is also the name of a pilgrimage city in Uttaranchal. Kalawati figures 5,984 times in different locations on Sahara's list of investors, according to an *Indian Express* May 2013 news report.

Sebi attempted a snap verification of any four addresses from a randomly selected locality in Mumbai. It took the help of India Post to find the investors at the addresses given but could not trace them. It could identify two who had invested in the contentious OFCDs. These investors said they had put money into the OFCD issues on being approached by Sahara agents. The investors had no association with the Sahara group.

That blew the lid off Sahara's argument that its OFCDs were privately placed with group associates and not by way of a public issue. This kicked off the bitter battle that Sahara has been fighting nonchalantly with Sebi after conceding defeat in another such battle with India's banking regulator. ◆

The author is Deputy Managing Editor at financial daily Mint

RAMESH SHARMA/MAIL TODAY

Coming up everywhere: The government wants all cities with a population of over two million to have metro rail networks. (Above) A section of the Rapid MetroRail, Gurgaon

Tickets to Ride

With 19 cities having taken up or set to take up metro projects, career prospects in metro engineering are plentiful. By ARUNIMA MISHRA

In September 2012, Ashish Agarwal joined Rapid MetroRail Gurgaon Ltd (RMGL), the company which runs the Gurgaon metro, as a traffic controller. Earlier, he worked for Delhi Airport Express, the metro line leading from the heart of the capital to Indira Gandhi International Airport, formerly run by Reliance Infrastructure Ltd, but recently taken over by the Delhi Metro Rail Corporation (DMRC). Why did Agarwal, a qualified engineer, choose this particular segment to work in? "Earlier, I was in the research and development sector, but I thought the metro a good option as there would be many new lines across India," he says.

And he was right. When he found the Delhi Airport Express had few passengers and was making losses, he began looking around and found there were plenty of other opportunities. The RMGL suited him best as he belongs to Delhi. "The salary here is the same as at my previous job, but there is job security and the opportunities to learn are also great," he adds. For instance, RMGL sent Agarwal to China for four weeks of training in operations and maintenance. He now teaches a batch of RMGL employees about what he learnt in China.

Indeed, metro projects are set to

boom and offer excellent prospects for engineers. Metro trains are already running in Delhi, Kolkata, Bangalore and Gurgaon, while active construction is on in Chennai, Mumbai, Hyderabad, Jaipur and Kochi. "The government has decided it will support the preparation of detailed project reports for metro rail systems in all cities with a population of over two million. This means that in addition to the present lot, another eight to 10 cities will also be eligible to start such projects in the 12th Five Year Plan," says Sudhir Krishna, Secretary, Ministry of Urban Development. The estimated investment for rail-based mass rapid transit systems in the 12th Plan (2012-17) is ₹1.5 lakh crore. The plan targets 7,400 km of metro track in the next decade.

Training engineers for the special needs of metro transportation is getting more attention as well. For a long while, the only training available was at DMRC's own training centre in Delhi. Now, there is a full-fledged institute, the Indian Metro Rail Technology (IMRT), Hyderabad, promoted by Secunderabad-based Balaji Railroad Systems Ltd (BARSYL), a leading railway consulting company for rail education. "Candidates and course participants who pass through IMRT will be employment ready for the industry," says Sunil Srivastava, Managing Director, BARSYL.

The recently started IMRT held its first short-term course on RAMS – Reliability, Availability, Maintainability and Safety – from November 18 to 23 this year, in association with Lloyd's Register Rail (Asia) Ltd and the Reliability Engineering Centre of IIT Kharagpur, charging a hefty ₹1.25 lakh. Organisations such as Bombardier Transportation, Alstom, Nokia Siemens Networks and L&T, among others, registered for it.

Track Changes

Metro trains are likely to dominate commuting in coming years

Investment in rail-based mass rapid transit system envisaged in the 12th Five Year Plan (2012-17)
₹1.5 lakh crore

Length of metro track the 12th Plan wants developed in the next decade
7,400 km

No. of cities implementing metro projects
9

No. of cities likely to start metro projects soon
10

No. of metro engineering jobs likely in the next four years: **500,000**

Training for metro staff imparted at
DMRC, IMRT

Cost of IMRT's year-long course
₹10 lakh

Money Matters

Average salary structure of metro rail engineers

Junior grade
(₹16,000-₹22,000)

Mid-junior level
(₹25,000-₹35,000)

Mid-level
(₹40,000-₹50,000)

Senior level
(₹85,000-plus)

"There has been good response from the industry, the metro developers, manufacturing organisations, and railway projects such as DFCC (Dedicated Freight Corridor Corporation of India Ltd) for our RAMS engineering and similar open programmes we are planning," says Srivastava. Ruchita Kaka, Lead, Learning and Development, Bombardier, agrees. "This is a rare course, specific to the industry's requirements. Skilled professionals in RAMS engineering are rare. It's important for our company," she says.

IMRT's flagship one-year postgraduate programme, which will cost ₹10 lakh, is set to start in July 2014. The waiting list for admission has been growing. Only those who have taken the Graduate Aptitude Test in Engineering (GATE) will be eligible to sit for IMRT's entrance examination. "An IMRT professional can join any private or government metro rail system thereafter," says Gyan Prakash, Director General, IMRT.

More such institutes are also likely. The All India Council for Technical Education (AICTE) has approved a plan to let universities formulate four-year BTech courses in metro engineering.

More metro networks are indeed a *fait accompli*. Urban development secretary Krishna notes that another 10 urban centres will become eligible to set up metros after the 12th Plan period. Sanjiv Rai, Managing Director and CEO, Infrastructure Leasing & Financial Services Ltd (IL&FS), which helped to build RMGL, expects 30 to 40 towns to build metro systems. "If that materialises in the next eight to 10 years, there will be more organisations offering training and institutes with metro engineering courses," he says. ◆

@Mishra_Arunima

business today

Jobs Today

monster® Find Better.™

Senior Management Jobs brought to you by monster.com

Hr-One Management Consultant
Head-Civil & Structural
Location: Mumbai
Job ID: 14235908
Description: BE-Civil with exp in Structural Design, projects, engineering etc. well versed with engineering software.

Frankfinn Aviation Services Private Limited
National Placement Head
Location: Delhi
Job ID: 13372976
Description: Should be having 14+ years of experience as placement officer or placement manager in any institute/college.

EXL
Senior Manager - Market Research
Location: Bengaluru / Bangalore
Job ID: 14247385
Description: Managing the market research process, Support the account teams in strategic account planning and management.

Jindal Steel & Power Limited
Area Manager RCM - Mechanical
Location: Odisha
Job ID: 14191211
Description: Knowledge & exposure of Vibraion Monitring, balancing, alignment, Lub oil analysis, thermo camera and MCSA.

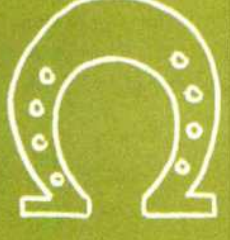
Curo India Private Limited
Deputy Manager/Manager-Legal
Location: Delhi
Job ID: 14150000
Description: Drafting and vetting of contracts, deeds and agreements.

iRekruit
Head - SeMT
Location: Aizawal
Job ID: 14209968
Description: Drive the implementation of various MMPs, NeGP components and other State projects and highlight any issues/ slippages to higher authorities.

Pyramid HR Solutions
Vice President Training, Learning and Development
Location: Delhi
Job ID: 14220963
Description: Expertise in training operations & strategy for an organization with reach across the length and breadth of the country.

UnitedHealth Group
Senior Manager Analytics
Location: Noida
Job ID: 14264428
Description: 9-10 years of experience in executing advanced analytical projects as a team manager in Marketing.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.



ADD A STREAK OF LUCK TO YOUR CANDIDATE SEARCH

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.

business today | Jobs Today | monster Find Better.™

IT Jobs brought to you by monster.com

NIIT TECHNOLOGIES
Project Manager
Location: Greater Noida
Job ID: 14182723
Description: Looking for strong candidates who have primarily managed Large Fixed price projects preferably 2 Mn USD revenue, Should have done Scoping, stakeholders expectation management.

Objectwin Technology India Private Limited
Sr.Network and Security
Location: Bengaluru / Bangalore
Job ID: 14202509
Description: 7+ years working within the information security field, with emphasis on security operations and security event analysis.

Hexaware Technologies
Peoplesoft Technical / Techno-functional HRMS
Location: Chennai
Job ID: 12157232
Description: 5+ years of experience working on PeopleSoft Projects.

Mastek Limited
Product Development - US P&C Insurance Domain
Location: Pune
Job ID: 14258797
Description: Need to be strong on the US P&C (Property & Casualty) Insurance domain.

IMSI India Private Limited
SRM Technical Consultant
Location: Chennai
Job ID: 14251288
Description: SRM Abap , Abap objects, Web Dynpro, •SRM Badi's , Enhancements , Forms etc.

Sampoorna Computer People
Software Engineer
Location: Chennai
Job ID: 14196904
Description: Should have strong hands on experience in coding or development using Microsoft technologies like ASP.Net 3.5 or above and C#.Net.

NVIDIA Corporation
System Software Manager
Location: Bengaluru / Bangalore
Job ID: 14236253
Description: Looking for a world-class software engineers to join the GRID team.

QLogic India Private Limited
Principal Engineer - Windows Driver Development
Location: Pune
Job ID: 14145559
Description: Manage the team responsible for development of network drivers for Qlogic intelligent CNAs on Windows.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Available on the App Store

Better Access
Monster on mobile helps you find candidates anytime, anywhere

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.™

business today

Jobs Today

monster® Find Better

Sales and Marketing Jobs brought to you by monster.com

WNS Global Services Private Limited
Sales Executive/Sr. Executive
Location: Mumbai
Job ID: 14210976
Description: Need graduate/post graduate with excellent communication skills.

Thomson Reuters
Sales Manager
Location: Mumbai
Job ID: 14101811
Description: Bachelor's degree preferably with Commerce or Accounting background. Ideally 5+ years previous software solution sales experience dealing with Fortune 500, FTSE 350 and/or Indian listed organisations.

Leap Ahead Global Manpower Solutions
Team Leader-Sales
Location: Delhi, Gurgaon
Job ID: 14050820
Description: To Deliver high quality results to our clients with passion and commitment.

Manokam
Territory Sales Incharge
Location: Mumbai
Job ID: 14259543
Description: Candidate should have experience of minimum of 1 - 2 years.

fiserv
Corporate Communications
Location: Noida
Job ID: 14170354
Description: Require excellent communication and presentation skills.

Multi Recruit
Business Development Executive
Location: Bengaluru / Bangalore
Job ID: 14261813
Description: Maintain and develop a customer and prospect database. On-line research for upcoming exhibitions and events.

2COMS Consulting Private Limited
Sr. Sales Executive
Location: Bengaluru / Bangalore
Job ID: 14259984
Description: Minimum 1 Year of sales experience is required in any industry.

Zeeboombaa Manpower
Business Development Executive
Location: Chennai
Job ID: 14259425
Description: Responsible for the establishment and management of regional sales channel; Responsible for the business expansion of OEMs、industrial clients and VIP end users.

To apply for above jobs logon to www.monster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

BeKnown On Facebook

Better Connections
Connects people to Brands on the Most Active Social Network.

Http://apps.facebook.com/beknown

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.

Finance Jobs brought to you by monster.com

ABC Consultants Private Limited
Senior Executive Statutory Audit
Location: Gurgaon
Job ID: 13721156
Description: Responsible for carrying out the Statutory Audit as per Indian GAAP,US GAAP, IFRS Audit, Quarterly reviews of listed clients and unlisted clients in accordance with SEBI Guidelines and Tax Audit as per Income Tax Act.

Rolta India Limited
Accounts Executive_Banking
Location: Mumbai
Job ID: 14153980
Description: Should be first class graduate in commerce with 5-7 years of experience in large companies and doing banking operational work, like Liasioning with banks etc.

Tesco Hindustan Service Center
Accounts Executive
Location: Bengaluru / Bangalore
Job ID: 13913118
Description: Fixed Assets - Capitalization, Retirement, Month End Reconciliation, Ensuring FAMS is reconciled with Oracle FA module.

Hector & Streak Consulting Private Limited
DGM / GM - Fund Raising (Corporate Finance)
Location: Mumbai
Job ID: 14220669
Description: Looking for DGM / GM - Fund Raising (Corporate Finance) for a Well-known Business House in Mumbai.

Futures Ahead
Taxation Manager
Location: Mumbai
Job ID: 13136620
Description: Candidates with 2 to 4 yrs strong experience in direct and indirect taxation.

Symphony Teleca Corporation India Private Limited
Book Keeper/ Accounts Assistant
Location: Bengaluru / Bangalore
Job ID: 13010802
Description: Very strong Accounting Knowledge.

Kelly Services India Private Limited
Credit Assessment Officer
Location: Bengaluru / Bangalore
Job ID: 13823828
Description: 1 to 5yrs experience in mortgage process, home loans, property loans, mortgage underwriting.

Polaris Software Lab Limited
Finance Executive
Location: Chennai
Job ID: 14171391
Description: 1 to 2 years' experience in Finance dept.

apply for above jobs logon to www.morster.com >> Type the Job ID in the "Search Jobs" box >> And click the "Go" button.

Better Candidates
With Monster's extensive database and advanced technology, finding the right candidate is easy

Better Access
Better Connections
Better Candidates

Get Lucky. Get Active with Monster.

monster Find Better.™

Room to Grow

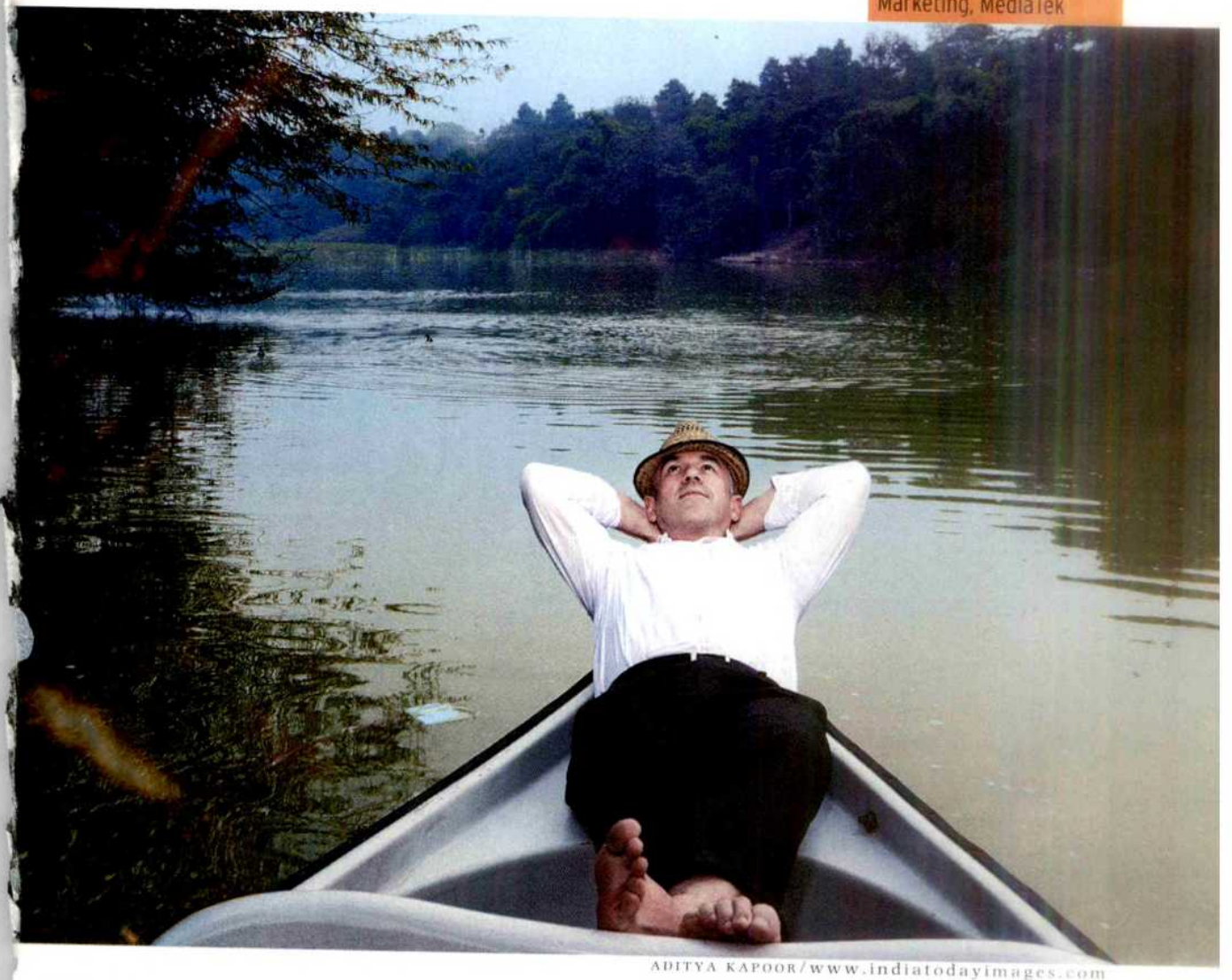
SIMON COOPER does not remember the last time he spent an entire week in Hong Kong. The city is currently home to the Asia Pacific head of Marriott International, from where he manages the operations of 16 countries, including India. Marriott, which operates 23 hotels in India, has another 50 in the pipeline. Cooper blames the low average room rates and occupancy levels (in the Indian market) on the oversupply of rooms. He says that many big cities such as Delhi, Mumbai, Chennai and Bangalore have not absorbed all the supply. "The existing supply needs to get absorbed. Growth is built into the Indian economy automatically. Our challenge is how best to use that growth for the benefit of our brands." According to Cooper, Marriott is now heavily focusing on the mid-market segment. "In terms of the actual number of hotels that we expect to sign up and open in the next three to five years, Fairfield and Courtyard would be the leading brands because these hotels are easier to do and can be opened in smaller cities."

MANU KAUSHIK

Simon Cooper
President & MD,
Asia Pacific, Marriott Intl

ADITYA KAPOOR/www.indiatodayimages.com

Finbarr Moynihan
GM, International Sales & Marketing, MediaTek



ADITYA KAPOOR/www.indiatodayimages.com

Chipping Away

An engineer by training, **FINBARR MOYNIHAN**, who heads sales and marketing at MediaTek, was in India recently to launch octa-core mobile processors in the country. These come barely a year after the Taiwanese chipmaker launched quad-core processors. The emergence of local brands in India and China excites Moynihan, who spends three weeks a month travelling, and loves to cook and ski. "These guys are growing their market share. The nice thing is that consumers are ready to accept their products even in the high-end premium price category." MediaTek's clients include global companies such as Samsung, LG and Nokia, as well as local brands such as Spice, Micromax, Lava and Karbonn. Spice was MediaTek's first Indian customer back in 2007.

TASLIMA KHAN

VIVAN MEHRA/www.indiatodayimages.com

Devendra Chawla
CEO, Food Bazaar

A Man's Place

Come weekends, and **DEVENDRA CHAWLA**, the newly designated CEO of the Future Group's food business, is invariably in his kitchen, trying his hand at some global cuisine. "I come across some interesting ingredient or recipe during my interactions with suppliers almost every day, and I am tempted to try it out."
As CEO of the nearly ₹5,000-crore Food Bazaar, Chawla's emphasis would be not merely on setting up more Food Bazaar stores, but to strengthen its private brand portfolio in foods. Kishore Biyani, Founder of the Future Group, India's biggest retailer, has on many occasions said that his vision is to behave not just as a retailer but also to be known as a creator of brands. And Chawla is set to make his mentor's vision much larger than that.

AJITA SHASHIDHAR

RAMESH SHARMA

Gaurav Burman
Director, Dabur Intl

Healthy Option

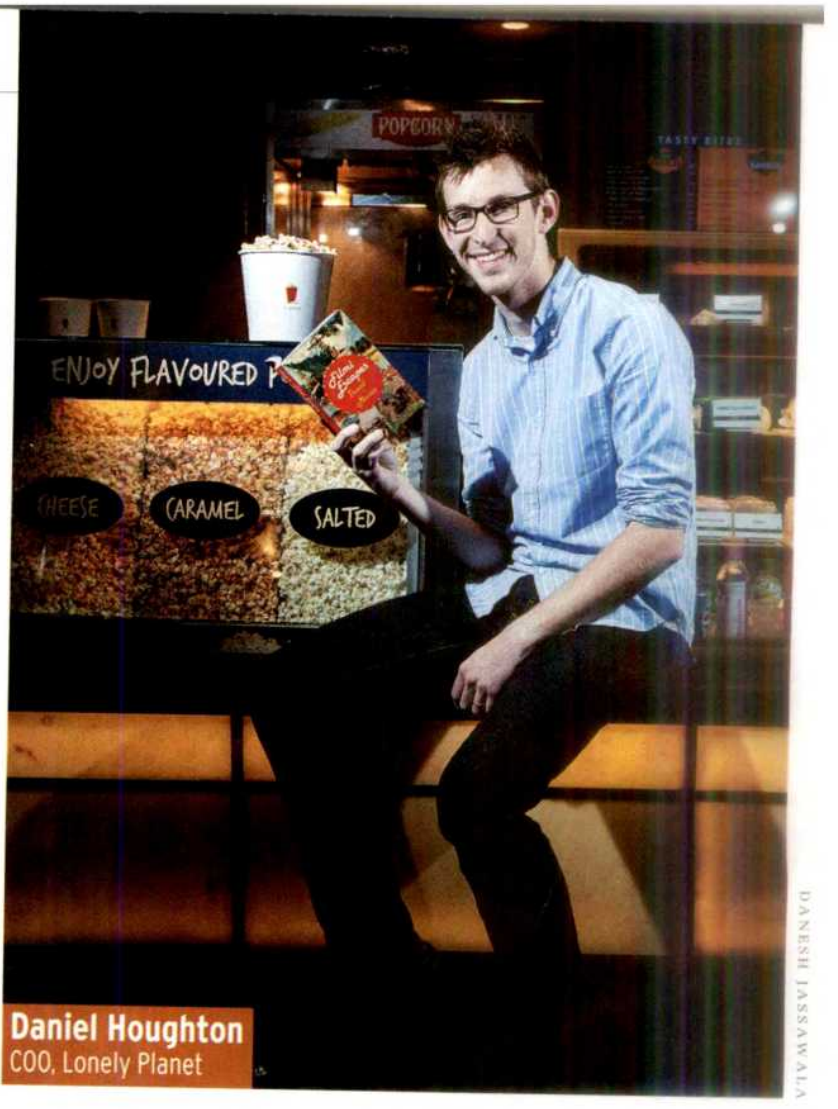
After some years in the private equity industry in the US, **GAURAV BURMAN**, Director, Dabur International, has been managing the private investments of the Burman family back in India. He recently entered the fast-growing home care services sector partnering with UK-based HealthCare at Home. The venture will help offer critical services such as oncology, pulmonology and palliative care to patients in their homes. "Home care services in India are restricted to nursing bureaus. It's a no-brainer that services like ours will do immensely well," says Burman, who plans to invest about ₹200 crore in the venture over the next four to five years.

MANU KAUSHIK

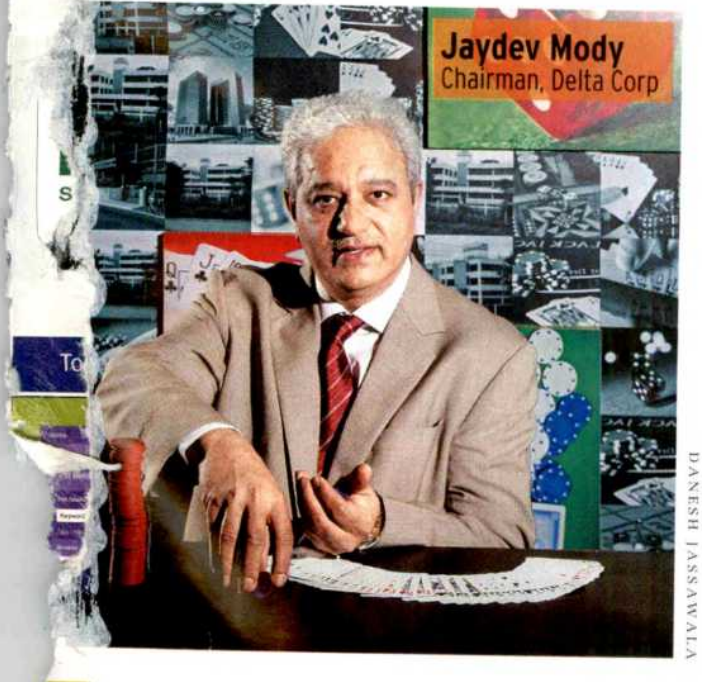
Not So Lonely

Travelling is an integral part of **DANIEL HOUGHTON**'s life. On his maiden visit to India recently, the Chief Operating Officer at Lonely Planet, the Australia-based leading travel guide book publisher, launched *Filmi Escapes – Travel with the Movies*. Inspired by Bollywood, the book is the first-ever travel guide on popular film locations in India. "Indians are very passionate about films," says Houghton. According to Lonely Planet, which is in its 40th year, about 800,000 domestic trips are undertaken in India annually and the number will only go up as travel becomes increasingly affordable. As far as outbound travel (from India) goes, more than 50 million trips will be made by 2020.

ARPITA MUKHERJEE



DANESH JASSAWALA

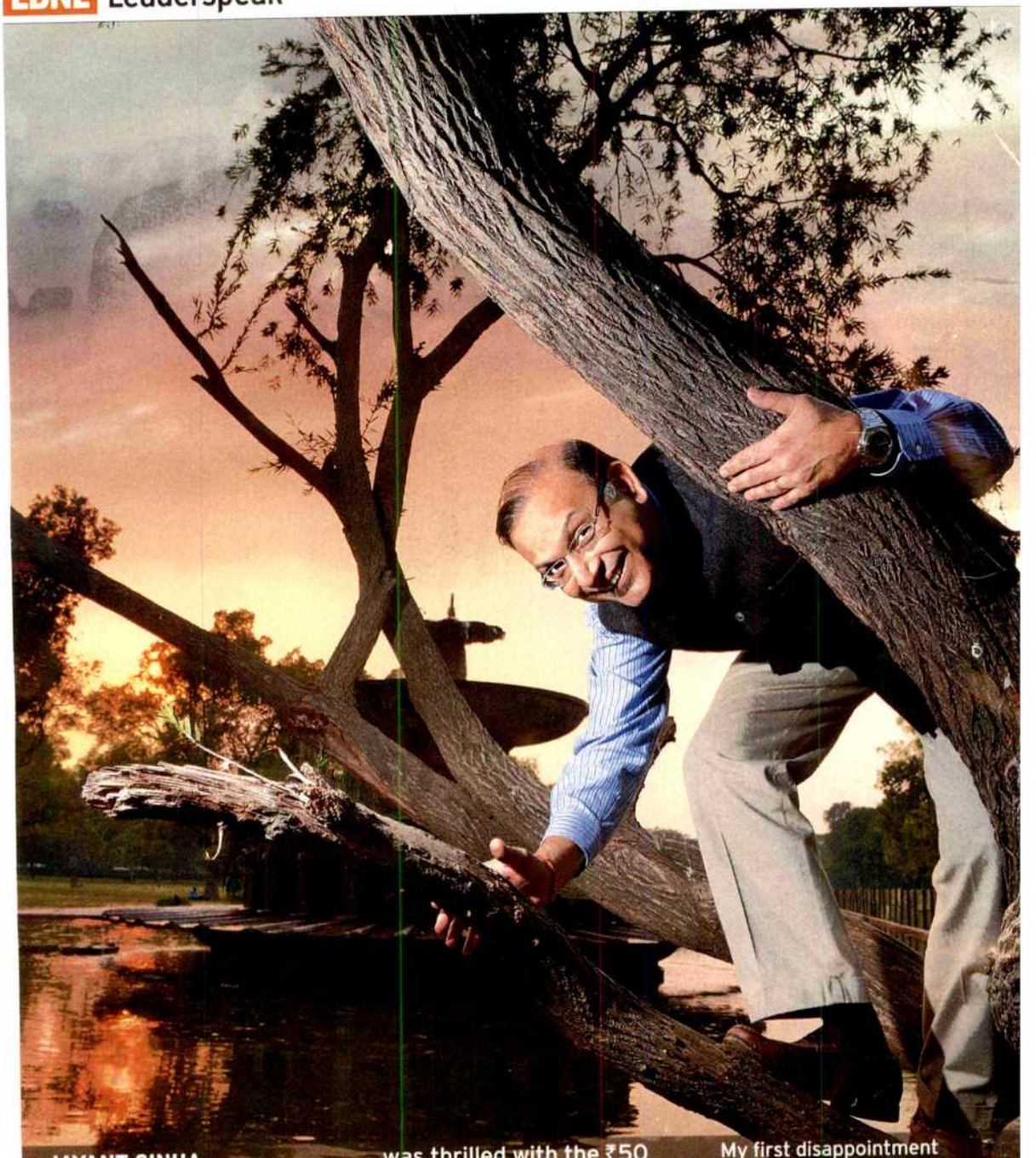


DANESH JASSAWALA

What Happens in Vegas

JAYDEV MODY, the undisputed leader of the gaming business in India, wants to bring Las Vegas-style gaming and entertainment to the country. His company, Delta Corp Ltd, the only listed gaming company in India, recently rebranded itself as Deltin, and is all set to launch an integrated casino property in Daman early next year. "Our Daman property will be an integrated gaming facility with electronic gaming. It is virtually like live gaming, as it gives the same thrill and experience," says Mody, who also loves to bet on horses. "Indians love to gamble, like the Chinese... We have witnessed 25 to 30 per cent compound growth year-on-year." Mody has now set his eyes on Sri Lanka, where he has already invested in an 11-acre plot. He is also keen on having a presence in Sikkim.

MANISHA SINGHAL



JAYANT SINHA
Managing Director & Partner
Omidyar Network India Advisors

My first guru
E.F Schumacher, who wrote *Small is Beautiful*. He showed how technology could help to solve the problems of the world's poor. After reading it, I was inspired to work on fuel-efficient *chulhas*

My first job
That of a DJ on AIR in Delhi. I was still at IIT then, and was thrilled with the ₹50 per show that I was earning

My first boss
Craig McDonald, Senior Vice President at SRC Global. He would often say: "If it's your work, you own it. No excuses"

My first promotion
From an Associate to a Manager at SRC. I learned that leadership is not about oneself; it's about one's team and helping it achieve its full potential

My first disappointment
While I was working with McKinsey in the US, a client was unhappy with our performance. The project had been poorly scoped and the expectations set by the partner were unrealistic. Instead of accepting responsibility, the partner kept blaming the team. I realised that it takes real character to accept one's mistakes

Photo by Vivan Mehr
As told to N. Madhava

Because the best in the world...

Cisco, Siemens, GE, Metlife, Amazon, Coca Cola...

...like to be associated with the best.

Brigade Group, one of South India's leading property developers, is hub to some of the finest clients in the business world. With state-of-the-art infrastructure, innovative thinking and professionalism, the Brigade Group has carved a niche for itself in the commercial real estate sector.

When the likes of **Fortune 500** companies have chosen Brigade Group as their business partner, need we say more.

CREDAI
Real Estate Awards 2013
Best Office Building
in Bangalore

CNBC AWAAZ
Real Estate Awards 2012
Best Commercial project
(City based)

CREDAI
Real Estate Awards 2012
The Best Office Space
of the Year

ACCE-BILLIMORIA Award
Best Construction in
High Rise Buildings - 2011

1800 102 9977 or +91-80-40467666 | BrigadeGroup.com

For a better quality of life, Upgrade to Brigade

Any which way you look at it, Blu is your Forever Ho

Located in the most prestigious part of South Mumbai, the iconic Blu mal
a proven and fabulous investment. However, the real reason you will live
is because it has more than everything to be your World-Class Forever

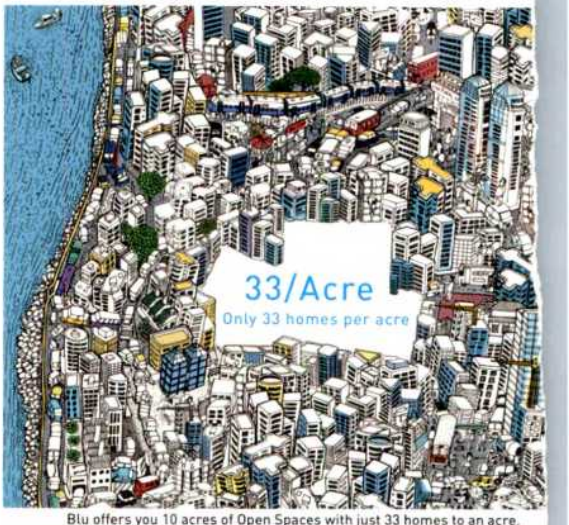
- Construction by Shapoorji Pallonji
- Plans approved by BMC
- Environment clearance received • No Public Parking FSI
- New DCR • Construction in full swing

Super Luxury Residential Complex in One Indiabulls Worli

Blu

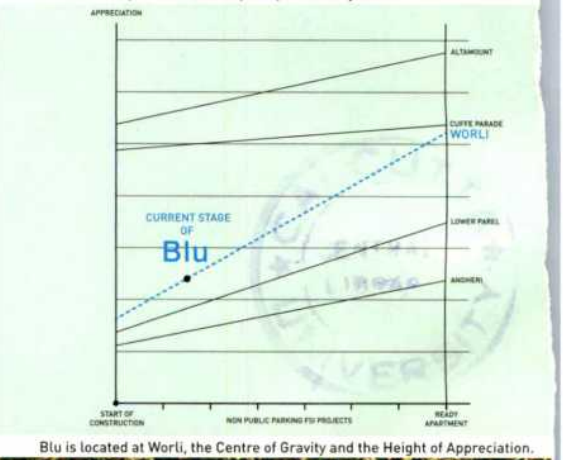
A home like no

Blu offers you 40 Amenities* All 40 of them true* All 40 of them unique*

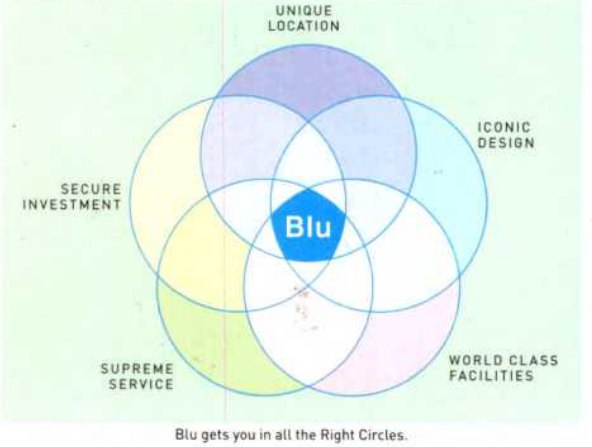


Blu offers you 10 acres of Open Spaces with just 33 homes to an acre.

Blu has no Public Parking below your home or in your compound.



Blu is located at Worli, the Centre of Gravity and the Height of Appreciation.



Blu gets you in all the Right Circles.

Blu has More Trees, Open Spaces, Play Areas, and Amenities/Acre in the vast 10 Acre

Contact us on 022 - 618 99999 for an appointment. Or, visit the Sales Lounge at One Indiabulls Worli, 132, Worli Circle, Mum

*Conditions apply. The information and material contained in this advertisement are for reference only and the same are subject to change without notice. INDIABULLS makes no representation, guarantee or warranty of any kind, express, implied or statutory in this